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HAITI GAS LINEUP — Black-market peddlers at a closed gasoline station in Port-au-Prince after the embargo that took effect Sunday shut filling stations. Page 7.

OECD Opens Door A Crack for Russia

But Moscow Faces Opposition on Bid To Enter 'Inner Sanctum' of the G-7

By Alan Friedman
and Lawrence Malkin
International Herald Tribune

The world's leading industrial democracies will take a step next month toward meeting President Boris N. Yeltsin's demands for closer economic ties when Russia and the OECD sign a cooperation agreement in Paris.

Western diplomats said the accord, likely to be signed on June 8 by Andrei V. Kozirev, the Russian foreign minister, during the annual ministerial meeting of the Organization for Economic Cooperation and Development, is a low-cost way of helping to integrate Moscow into Western institutions.

The OECD agreement, which calls for the Paris-based organization to assist Russia in the development of its economic institutions and reform programs, will be formalized one month before Mr. Yeltsin goes to Naples to participate in the Group of Seven annual economic summit conference.

Top officials from Group of Seven countries said it would be premature to agree to Mr. Yeltsin's request for full membership in the G-7, and described the OECD deal as an interim step. "The idea," said one British official, "is to encourage Russia to cooperate with Western institutions without having to bring them into formal relationships that might be too sensitive."

A senior U.S. official explained that while there is a desire to further engage Russia in the economic sphere, "they are not prepared institutionally" for membership in the G-7. But G-7 planners are grappling for a way to satisfy Mr. Yeltsin, especially now that Germany has endorsed the Russian president's application for full membership.

One European finance minister suggested it might be possible to reach a limited accord at Naples that "brings Russia closer without transforming the summit into the Group of Eight."

Under the present formula, the Russians

meet with the G-7 as invited guests, or the "G-7 plus one," as it is described in diplomatic jargon. Last month Secretary of State Warren M. Christopher said Russia could work formally with G-7 leaders as they developed positions on political issues. But Mr. Christopher said Russia could not take part in meetings concerned with economic matters.

Mr. Yeltsin, however, will be free to raise economic issues at Naples, and he is expected to discuss Russian demands for improved access to Western markets. He will not participate in G-7 discussions of traditional macroeconomic questions such as growth, inflation, interest and exchange rates.

Another Washington-based official observed that "the Russians are beating very hard on the door, and we want them to feel included, but we don't want to allow them all the way into the inner sanctum."

Last week in Brussels, ambassadors of the North Atlantic Treaty Organization discussed ways to meet Russia's request for special treatment within the Partnership for Peace.

President Bill Clinton's initial policy of publicly embracing Mr. Yeltsin failed miserably last year to move Russia swiftly toward capitalist democracy. U.S. officials are now understandingly hesitant about another heavy hug, especially in the full glare of publicity at the Naples summit talks.

Yet, that appears to be what Mr. Yeltsin wants to help demonstrate to his political foes at home that he is a person to be reckoned with on the world stage and thus help consolidate his position against nationalists on the right and old-line Communist industrial managers who seem to be gaining control under Prime Minister Viktor S. Chernomyrdin.

Senior U.S. diplomats and financial officials said over the weekend that their tactics for the summit talks still need to be worked out, although the long-term strategy of rewarding

See RUSSIA, Page 6

Should U.S. Firm Finish Ex-Soviet Reactors?

By Douglas Frantz
New York Times Service

NEW YORK — In a plan that is drawing diplomatic protests from abroad and political objections in the United States, Westinghouse Electric Corp., with the backing of the Clinton administration, intends to use its own technology to complete two Soviet-designed nuclear reactors in the Czech Republic.

In support of the first attempt to graft American technology onto a Soviet reactor, the administration rebuffed congressional and environmental opponents to approve \$317 million in loan guarantees to finance the work.

Administration officials said that the West-

inghouse technology would increase safety at the plant, near the Czech town of Temelin, and was a step toward the broader goal of improving safety at other Soviet-designed reactors. There are 16 uncompleted reactors in Eastern Europe, as well as more than 50 operating or under construction in Russia, Ukraine and Bulgaria.

"Nobody is saying we love the project," said Kathleen McGinty, director of environmental policy at the White House. "We like a project that has a chance of being safe rather than a ticking time bomb. We are not going to be a party to looking the other way while another Chernobyl occurs."

The Temelin reactors, called the VVER-1000, are the most advanced Soviet design. They are not the type that exploded at the Chernobyl plant near Kiev in 1986, causing billions of dollars in damage in the worst accident in the history of nuclear power.

"These are excellent machines and, with the investments, they should have a very long and productive life," said Nathaniel D. Woodson, president of the Westinghouse energy systems business unit in Pittsburgh.

Some critics say that the U.S. government could end up paying for an accident at the Czech plant. And environmentalists and the Austrian government warn that the Russian

design may not be safe, even with Western technology.

An estimated 10 million people live within a 100-mile (160-kilometer) radius of the Temelin site, and Prague is 60 miles away. Vienna is 120 miles southeast — and downwind — of Temelin.

"An accident at Temelin could result in devastating health, environmental, economic and social consequences for all of Austria's 8 million citizens," a panel of Austrian scientists warned earlier this year.

For Westinghouse, which faces a moribund

See REACTORS, Page 6

100 Days Into the Sarajevo Peace, War Declines to Go Away

By John Pomfret
Washington Post Service

SARAJEVO, Bosnia-Herzegovina — Up on the edge of Muslim-held territory at the Jewish Cemetery, a 24-year-old platoon commander wondered if his photo was destined for the walls of the history room at the headquarters of Sarajevo's 115th Motorized Brigade, lined with the pictures of 318 men and women killed in Bosnia's 25-month war. Sixty more names and a few dog-eared photos sit in a cardboard box on the floor, awaiting a free patch of wall.

"When will this thing end?" Emir Hadzihalilovic said to himself as he peered through two 19th-century tombstones at Serbian positions across an inconspicuous landscape of roofless houses, upside-down automobiles and cherry trees in full bloom. "Sometimes I think it will go on forever."

One hundred days after the imposition of a cease-fire around Sarajevo, amid predictions of an impending peace deal, Europe's worst conflict since World War II heads toward another summer of death in the dust of Bosnia's mountains.

Despite new claims of unity among the United States, Russia and major West European powers over Bosnia's future, and despite threats from Britain and France to pull out their United Nations troops, battles persist in several parts of Bosnia, with little chance of abating.

And although U.S., Russian and West European officials have called for a four-month cease-fire to work out a peace agreement that would give Bosnia's Muslims and Croats 51 percent of the country, so far no official of the Muslim-led Bosnian government has backed it.

"Our army wants to fight," a high-ranking Muslim officer said. "And we have more weapons to do it."

In recent weeks, the mostly Muslim army has registered some of its most significant gains in months. That is testimony to its improved training and better weapons supplies, due in part to a Muslim-Croatian peace deal that has opened the road to Croatia's Adriatic coast, where arms are easy to come by.

Among the army's most recent conquests is Vijenac Mountain, a strategic artillery position used to shell the Muslim city of Tuzla in northeastern Bosnia. Muslim media also claimed gains around Olovo and Kljanc, south of Tuzla.

UN officials here say they are waiting for the Serbian military response, which usually occurs swiftly. Kills scores

of civilians and until now has left the Muslim forces routed. "Soon we will get to the day where peace will be defined here as the absence of full-scale war but not conflict," a senior Western official said. "It could roll on and on."

In addition, the prospect of Western troops leaving the UN force here, and being replaced by soldiers from Muslim and Orthodox Christian countries, could add fuel to the fire. Next month, 1,000 Turkish troops and almost 2,000 from Pakistan are scheduled to bolster the 15,000 troops in Bosnia.

"I have real concerns that we'll see a complete loss of objectivity in the UN operation here, with potentially grave consequences," the senior official said. "Islamic nations will send troops to the Muslim side and Orthodox countries will put men on the Serb side. That's a recipe for real trouble."

Swiss Red Cross Failed to Block Suspect Blood

By Marilee Simons
New York Times Service

GENEVA — In April 1985, in the early days of screening blood supplies for the AIDS virus, the New York Blood Center sent a letter to the Red Cross of Switzerland, advising it that a small part of its shipment of Swiss blood appeared to have tested positive for HIV.

The Swiss Red Cross now concedes that that letter was the first warning that the virus that causes AIDS was present in Switzerland.

Yet for 12 months after the warning, according to a Swiss government investigation, the Swiss Red Cross continued to use and distribute untested blood and blood products in Switzerland. And after the government made AIDS screening mandatory on May 1, 1986, investigators said, the Red Cross still failed to recall possibly contaminated blood products from clinics and hospitals.

Now the Swiss Red Cross is having to answer for these decisions. This month the government charged Dr. Alfred Haeberli, a hematologist and former director of the Red Cross central laboratory, with inflicting grievous bodily harm for allowing the use of possibly infected blood.

According to health officials, the tainted blood products infected 68 hemophiliacs with the AIDS virus in the mid-1980s. Twenty-four of them have died. The officials said an estimated 100 to 200 others were contaminated through hospital blood transfusions between 1983 and early 1986. They said half of these patients are believed to have died.

The government's investigation into the Swiss health system sheds new light on a critical period in the 1980s. At that time, people with hemophilia in need of regular blood-proteins were almost doomed to HIV-infections. But their subsequent protection depended on how the health authorities reacted to the news of the spreading AIDS virus.

It is now apparent that the Swiss were slow to respond because at first they thought the prob-

See BLOOD, Page 6

Kiosk Knicks Advance To Eastern Final

NEW YORK — The New York Knicks eliminated the Chicago Bulls, 97-77, on Sunday, to advance to the finals of the National Basketball Association's Eastern Conference. The Bulls forced a final game in the best-of-seven series by stopping the Knicks in Friday night's sixth game, 93-79. The Knicks had won three straight in New York going into Sunday's game.

Earlier article, Page 17

Fifty Years After D-Day

In the next installment of the Trib's special series, two analysts examine the way societies handle ethnic issues. Americans are embracing a multicultural vision of their national identity, but Europeans are only edging toward this approach. Richard Reeves, the syndicated columnist, lived in Europe before writing his most recent book, "President Kennedy — Profile of Power." Jonathan Eyal is director of studies at the Royal United Services Institute in London. In Tuesday's Herald Tribune.



D-DAY REMEMBERED — An American couple walking past grave markers in the American cemetery at Colleville-sur-Mer, near Omaha Beach. President Bill Clinton is scheduled to participate in a U.S. military ceremony there on June 6 to commemorate the Allied landings in Normandy, one of several the president will present at for the 50th anniversary of the invasion. Page 5.

America to Clinton: We Hate You! (Go Ahead, Take It Personally)

By Ann Devroy
Washington Post Service

WASHINGTON — The caller was so angry she could barely speak. President Bill Clinton, she said, is "not fit to hold office."

"He's scum," she said. "He's worse than scum, and you all are protesting him."

And that message, left on a reporter's answering machine, was one of the milder ones. Across the radio talk show airwaves, in mail and telephone calls to the news media, in letters to the White House and in dozens of other anecdotal ways, Mr. Clinton's enemies are making their hatred clear, with a burning intensity and in some cases with an organized passion.

Most pollsters suggest that their measurements of strong approval and disapproval for

Mr. Clinton are not all that different from those for other recent presidents and that polls really cannot measure passion. But even the president's advisers agree there is something about Mr. Clinton that reaches into the

NEWS ANALYSIS

emotional pit of some Americans and produces a visceral reaction.

"There are some hard, hard-core Clinton batters," said one adviser, James Carville. "This guy gets up more feelings and pulls them from greater extremes than any politician I know."

David Gergen, counselor to the president, agrees, saying the closest thing he has seen to it across the four presidencies in which he has

served were the early months of Ronald Reagan's, when his ideological swerve to the right created a depth of opposition on the left. Dee Dee Myers, Mr. Clinton's press secretary, who traveled with him through the campaign and does now, said, "There are a lot of people in this country who either love him or hate him."

But it is not those who love him who have become so conspicuous lately.

At a town meeting last month in Charlotte, North Carolina, a woman rose to her feet without a sign of self-consciousness to sharply question Mr. Clinton's character and accuse him of being a hypocrite. At a focus group last week conducted by The Washington Post, a group selected two years ago for its antipathy toward Washington showed

signs of having turned that antipathy on Mr. Clinton; the men and women used phrases like "con man" and "big fake" and "hypocrite" in discussing the president.

A White House volunteer who handles mail speaks of "letters so angry they almost feel hot." The White House says it does not categorize its mail by approval or disapproval. All that it will say of the numbers, officially, is that Mr. Clinton continues to draw a virtual avalanche of mail, at least twice what George Bush did. For the first four months of the year, there were 1.1 million pieces of mail.

Mr. Clinton ranks as the most criticized personality on talk radio shows since July 1990, with Hillary Rodham Clinton in second place. They lead President Saddam Hussein

of Iraq, former Vice President Dan Quayle and Mr. Bush.

Michael Harrison, editor of Talkers magazine, the trade magazine for the talk-show industry, said that based on daily monitoring of every talk station in the top 15 markets and monthly assessments of 200 other stations, "There is no question Bill Clinton is the most criticized individual in the history of the medium."

At least three conservative syndicated talk-show hosts — Rush Limbaugh, G. Gordon Liddy and Ron Reagan, the son of the former president — have made Clinton-bashing the basis of their shows. Mr. Harrison said, with no comparable liberal or moderate figure on

See CLINTON, Page 6

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'Doctor' Puts Puma on Right Path

By Brandon Mitchener
International Herald Tribune

NUREMBERG—Like his father, mother, brother and uncle before him, Jochen Zeitz, the "black sheep" of his family, was supposed to have become a doctor.

As a restless youth, he began medical school in Florence and was averaging an A-minus when fate—in the form of a change in German transfer credit rules—foiled his plans to finish his studies at home.

In desperation, Mr. Zeitz went to business school. Today, as one of Europe's youngest top managers, he has no regrets. "It started to be fun," he said.

Instead of curing sick people, Mr. Zeitz is the therapist for a troubled company, the athletic wear specialist Puma AG, where his home-grown elixirs have worked like magic.

After just 12 months as chairman, Mr. Zeitz, 31, has transformed Puma from an ominously named underdog into a once-famous name into a spunky, trend-setting competitor for the likes of Nike, Reebok and the local rival, Adidas.

"The first few months have been very promising and I expect a profit for the full year," 12 months ahead of schedule, he said in an interview.

As recently as March, when the company's annual earnings report was presented, Mr. Zeitz had described 1994 as a period of consolidation following a year of restructuring and heavy losses.

The early turnaround testifies both to the professional manager devoted to his task and personality traits

that Mr. Zeitz has displayed in the past. "You should try playing sports with the guy," said Jerry Vittoria, a former colleague who described recent encounters with his friend on the tennis court and golf course. "He's very competitive. It's partly innate ability, and partly his drive."

Though he has little time for sports these days, the husky German once played tight end for the Mannheim Redskins, an American-style football team in the town where he grew up. He still enjoys tennis and skiing, hunting and flying and working out with weights.

Up and Coming
An occasional series about the leaders of tomorrow

Manfred Bruhn, who was his academic adviser for four years at the European Business School near Wiesbaden, also remembers the young Zeitz as someone who "always did everything fast" and was graced with "healthy ambition" and an outgoing personality.

That his protégé rose as fast as he did, however, also included "coincidence and a lot of good luck," he says.

Mr. Zeitz, however, quoting a maxim, adds that luck is "when preparation meets opportunity."

Just before his graduation in 1987 in the top 5 percent of his class at the business school, where he majored in marketing and corporate finance, he caught the attention of Cologne-Palmolive talent scouts on a recruiting expedition.

"He wasn't your classical graduate," said Elk von Reisswitz, a

former personnel officer at the U.S. multinational's German offices. "Most are too smooth, too perfect. He had a few rough edges, but a lot of potential."

Mr. Zeitz turned down Cologne-Palmolive's first offer of a job in Hamburg but later accepted an offer to start his training in New York and then return to Hamburg.

In New York, while enjoying jazz and discos by night, he quickly rose to be the right-hand man of a senior vice president. He was so well liked in New York that the company's German office had trouble getting him to Hamburg, according to Mr. Reisswitz.

Although Mr. Zeitz "could have been head of Europe for Cologne-Palmolive in a few years," asserted Mr. Vittoria, he stayed in Hamburg less than a year.

Instead, he went to work at the troubled Puma company in 1990 as a vice president for international sales and marketing. He quickly helped bolster the company's image abroad.

AB Arimos, the Swedish company that is Puma's largest shareholder, made him chairman just three years later, when he was 30.

In his first year at Puma, Mr. Zeitz closed the company's last manufacturing plant in Germany, cut the group payroll and costs by a third and raised sales, especially in Asia and the Americas.

His success at Puma has not come without a hefty personal cost. As part of the restructuring, he ordered hundreds of layoffs, a process that has aged him mentally, if not physically.

"It's unfortunate and sad, but had to be done to save the jobs that remained," said the pragmatic Mr. Zeitz.

Friends say a strong point of his personality is his ability to combine discipline with a love of a good time. "The guy used to party hard," confided Mr. Vittoria, who shared an apartment with Mr. Zeitz on and off for two years in Manhattan.

One of Mr. Zeitz's lasting passions is travel. He celebrated his 30th birthday with his wife and Mr. Vittoria in Morocco. In addition to studying in Florence, he has worked for a German bank in Paris, for Mercedes-Benz in Hollywood and for a glass factory in Brazil. He met his wife, a German, in New York.

He speaks Italian, English and French fluently, can make himself understood in Spanish and Portuguese, and revels in the diversity of New York and the "savoir-vivre" of Florence.

"It's a long way from New York to Nuremberg," he said.

In business, Mr. Zeitz disdains prepared speeches. "I say you can only present something credibly if you show people how you feel," he said. But he chooses his words carefully when discussing the company's performance and its expectations.

At the company's last press conference on earnings, Mr. Zeitz displayed self-confidence and poise. While most German companies have summoned one or more consultants into their offices to point the way toward profits, Mr. Zeitz has charmed Puma's path "my way."

That includes both inevitable changes in manufacturing and distribution and marketing moves such as a timely acknowledgment of nostalgic trends in fashion and promotion of a street soccer championship.



Jochen Zeitz, holding his top priority.

Co-workers describe Mr. Zeitz as "uncomplicated," but he is no lightweight. He relaxes by reading essays by Kurt Tucholsky, a political satirist, and cited Alfred Herrhausen, the visionary former chairman of Deutsche Bank AG, as one of the few German leaders he admired.

He shuns politics and said entering the political fray was one thing he was certain not to do when his job at Puma ended. For the time being, the company is his top priority.

"If this weren't my top priority, something would not be right," he said.

Q & A: Trade, Human Rights and Future U.S.-China Ties

The future of relations between China and the United States hinges on a decision President Bill Clinton must make by June 3 on whether to renew China's most-favored-nation trade benefits. In Beijing, Robert A. Kapp, president of the U.S.-China Business Council, which represents 250 American companies that do business with China, discussed the stakes with Michael Richardson of the International Herald Tribune.

Q. Is this a tussle that is just about linking trade with human rights?

A. The problem is that the two

countries have a long tradition of moralizing at each other. Both take it as axiomatic that their national existence has a moral dimension.

The U.S. perceives itself to have been founded on transcendent moral principles which distinguished it from corrupt and decadent monarchies in Europe. The Chinese, since the second century

B.C., have wedded imperial temporal power to imperial moral orthodoxy. That tradition has continued into the 20th century.

Therefore when the two countries get together, they tend rather easily to fall into moralizing, more so than other nations. When the Americans and Chinese get together, they tend to moralize, more so than other nations.

Q. What should Mr. Clinton do to break this cycle?

A. Our council's position is that the U.S. should renew normal trade treatment for China, the so-called MFN, without condition.

The core of the problem is that America is publicly holding China up to criticism and threat. If that could be removed, and each side responds to the other, we could achieve greater cordiality.

Q. If MFN is renewed unconditionally, won't the U.S. lose its leverage for improving human rights in China?

A. The U.S. has been asking itself how it should press China economically to make the Chinese authorities act the way America wants them to act politically. It's the wrong question.

The right question is: Under what circumstances will China most likely evolve politically and socially, as well as economically, in directions most compatible with deeply held American values.

The answer is for the U.S. to increase contacts with China at every level, including trade, investment, education, training and cultural exchange. That is why Mr. Clinton should take the lead and renew MFN without conditions.

Q. Would Congress allow him to do that?

A. If the president really exercises his prerogatives as the framer of foreign policy, most members of Congress will be glad of his leadership. In the last year, larger and larger numbers of members of Congress have come to understand the importance and potential scope of the relationship with China.

If MFN were to be eliminated, we would see a rather rapid and wide-ranging degradation of the U.S.-China relationship, way beyond trade and commerce.

Q. What form would Chinese retaliation take?

A. American products moving into China would be an obvious target. The impact on exports and jobs would be felt in a matter of days or weeks. When orders are canceled, jobs are lost. With U.S. exports to China worth about \$9 billion in 1993, there are about 175,000 American jobs at stake.

If America kills MFN, the rapid growth in its exports to China would be truncated and passed to competitors.

Q. Would U.S. investment in China also suffer?

A. According to official Chinese figures, U.S. companies have invested more than \$9 billion in China and that has been growing fast, particularly since 1991. Large firms are committing to very long term and substantial project work in China. That would all be at some risk should our economic relationship be crippled.

American investors producing goods in China rely to a substantial degree on the import of components and other inputs from the U.S. If the market is closed to American imports, it would be hard to run those businesses.

Hata Gets Offer From Socialists

Compiled by Our Staff From Dispatches

TOKYO—Socialist leaders have dangled a potential lifeline in front of Japan's floundering minority coalition, hinting that their party could join it on condition the present government resigned.

Prime Minister Tsutomu Hata has indicated that he would consider the idea. Acceptance would lift the threat of snap elections.

Speaking during a visit to China, Secretary-General Wataru Kubo of the Social Democratic Party said Mr. Hata, who heads the first Japanese minority cabinet in four decades, must resign as soon as the long-delayed budget is passed.

"If the Hata government does not resign en masse so that a stable government can be formed," Mr. Kubo told reporters in Dalian, the possibility of the Socialists backing a no-confidence motion and toppling it is "very high."

Then on Sunday, the Socialist party chairman, Tomichi Murayama, said that "if we can have a change to discuss the framework of a new coalition after the Hata cabinet resigns en bloc," that would be one way for him to return to power.

The Socialists, who joined the disparate alliance that took power in August after 38 years of Liberal Democratic Party rule, have walked out of the coalition, depriving Mr. Hata of his majority.

The break came over a decision by the nonsocialist parties to form a unified bloc in Parliament, effectively freezing the Socialists out of policy-making. (Reuters, AFP)

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High Beijing Party Aide Warns of Social Unrest

Agence France-Press

BEIJING—Public order in China has gravely deteriorated this year, and urgent steps are required to prevent serious unrest, a senior Communist Party official was quoted as saying Sunday.

In a markedly frank assessment of current trends threatening social stability, the director of the party's

Central Committee for Comprehensive Management of Public Security, Ren Jianxin, said particular attention needed to be paid to signs of unrest in the countryside.

"Since the beginning of the year, the public order situation throughout China has become extremely grim," Mr. Ren said in a speech carried on the front page of the official People's Daily.

He especially warned of mass discontent in many rural areas where incomes have failed to keep

pace with inflation and where resentment is growing over regional disparities in living standards.

"We must never underestimate the effect that problems of public disorder in the countryside will have on the country as a whole," he said, calling on governments and judicial departments at all levels to take immediate steps to ensure social stability.

"Common law criminals must be punished swiftly and more heavily," he said, while education re-

garding state laws and regulations should be strengthened for minor offenders.

In a clear indication that the party has effectively lost control of the situation in some rural areas, Mr. Ren said major efforts must be made to strengthen "paralyzed or semi-paralyzed local party organizations and rural committees."

Senior party leaders warned last week that corruption and apathy among officials were exacerbating the destabilizing effects of unemployment, poverty and inflation.

President Jiang Zemin and Prime Minister Li Peng have both made speeches stressing the importance of ensuring social stability. The theme has been hammered home at every opportunity in advance of the fifth anniversary on June 4 of the crushing of the 1989 pro-democracy movement.

New Malawi Chief Vows to Aid Poor

The Associated Press

BLANTYRE, Malawi—Bakili Muluzi, sworn in as Malawi's first democratically elected president, vowed to combat poverty.

The new president decreed the closure of three prisons notorious for torture under the rule of the former dictator, Hastings Kamuzu Banda. Mr. Muluzi also ordered the immediate release of the few remaining political prisoners and commuted the death sentences of at least 10 convicts.

"This is the day to be cherished by everybody," the president told a crowd of 100,000 at the swearing-in ceremony here Saturday. "Ours is a government committed to the alleviation of poverty," Mr. Muluzi said. He added that the nation's potential would be exploited "for all Malawians, and not only a few families."

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Herald Tribune

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China Has Not Complied

By the end of next week, President Bill Clinton must decide whether China has met the modest human rights conditions that he set last year for renewal of its favorable access to American markets. He should face up to the reality that these conditions have not been met, and propose targeted economic sanctions to Congress. These should be designed to send a strong political message while limiting the economic damage to both sides. Some damage is inevitable, but it is a cost worth paying for principle and consistency.

Chinese leaders held that this has been a difficult year — uncertainty over who will succeed Deng Xiaoping, problems with economic reform, inflation, new pressures for democracy, peasant and labor unrest. They ask the United States to suspend its human rights concerns and accept repression for the sake of stability and growth. To indulge this request would betray American principles and credibility and encourage Chinese leaders to ignore the political and social problems that now threaten economic reform.

China's future course will be determined in Beijing, not in Washington. But as China's top trading partner and most important diplomatic interlocutor, the United States has an unmatched potential to influence Chinese decisions. Annual fights over trade privileges are a messy way to exercise this influence. But they were the only levers available to Congress when the Bush administration responded inadequately to the Tiananmen massacre of 1989.

The Clinton administration tried to offer China a reasonable way out in a May 1993 executive order. But China, lulled perhaps by past American toothlessness and publicly aired divisions between U.S. economic and diplomatic officials, chose confrontation instead.

The executive order set seven conditions that China had to fulfill to have its trade privileges renewed this summer. Two were absolute: stop exporting goods made by prison labor, and allow free emigration for otherwise eligible dissidents. It also needed to show progress in five other areas: accounting for political prisoners, allowing Red Cross visits to prisons, easing repression in Tibet, adhering to the International Declaration of Human Rights, and ending jamming of the Voice of America.

China has released prominent dissidents, allowed others to emigrate and accepted the principle of Red Cross visits. But it has only made promises concerning prison labor and the Voice of America. And it has intensified repression in Beijing, Shanghai and Tibet and failed to demonstrate significant progress in several of the specified areas.

That mixed record might have narrowly justified renewal, had China not gone out of its way to show contempt for American human rights concerns. Beijing has, in effect, called the president's bluff.

President Clinton now needs to retaliate by proposing selective sanctions that send the strongest political message at the lowest economic cost. Rather than revoking trade privileges across the board, he should propose higher duties on specific categories of goods — for example, those produced by companies run by China's army. Sorting out the origin of Chinese imports presents technical problems, but U.S. trade negotiators have managed to come up with selective lists before.

Whatever Mr. Clinton decides to do on China, the consequences will be huge. If he backs off in the face of Beijing's bullying, China's democrats, intellectuals and minorities will pay a high price, and American credibility on issues from human rights to nuclear proliferation will be in peril. If his choice of sanctions touches off a trade war, China will be unable to sustain its present rapid growth rate, while profits and jobs in a number of American export industries, notably aerospace, will be lost.

But the real significance of Mr. Clinton's choice transcends even these weighty specifics. Balanced and respectful relations between the United States and China are the key to future peace, prosperity and democracy throughout the dynamic East Asia region. For the last five years, at least, those relations have been anything but balanced and respectful. The way to repair the relationship is not by fudging real differences over basic issues like prison labor, torture and religious persecution. It is by consistently following through on the reasonable policies that Mr. Clinton announced a year ago.

— THE NEW YORK TIMES

Helping the Blind to See

If you were given \$118 million with a mandate to use it for the greatest possible good of miserably poor people, how would you spend it? That kind of question is the central business of the World Bank, which for nearly half a century has been making loans to poor countries to support economic development and improve life. The bank has now extended a \$118 million subsidized loan to pay for cataract operations in the villages and slums of India. The bank is the world's main channel of development aid, and this loan is part of an important shift in its emphasis.

Blindness, generally because of cataracts, is unusually common in India even by the standards of other poor countries. This loan will train surgeons, nurses and technicians as well as buy equipment. The cost will work out to about \$15 for each patient. It means that in five years this project will restore sight to nearly 8 million people, rescuing them from dependence and beggary. In economic terms alone, the payoff is enormous. It is hard to think of an endeavor that could transform more people's lives as completely as so modest a price.

Over the years, the World Bank has experi-

mented with many different strategies for encouraging economic growth. Since it currently lends about \$22 billion a year, its decisions have a real impact. Recently it has been swinging some of its resources away from the traditional construction projects, like dams and roads, toward environmental protection and, especially, health care. The bank's lending for health projects is rising faster than its support for any other purpose.

The bank will continue to provide funds for big engineering projects, because a safe water system, for example, is often the cheapest way to prevent dangerous epidemics. But it increasingly chooses to attack directly the ignorance, disease and disability that trap the people born into poverty.

The current American contribution to the World Bank is slowly making its way through Congress's appropriations process. The people who have to vote on it may wonder what happens to the money that the bank raises in America and around the world. The answer is that some of it will go to India, where it will literally enable the blind to see.

— THE WASHINGTON POST

Stepping Aside in Malawi

Few things have better become President Hastings Kamuzu Banda of Malawi, Africa's longest-serving leader, than the way he has left office. After losing a free and fair election last Tuesday, he handed over power on Saturday to a competent and democratically chosen successor, Bakili Muluzi. It is an example that will, regrettably, almost surely be ignored by other Third World liberators-for-life, most especially Cuba's Fidel Castro, North Korea's Kim Il Sung and Zaire's Mobutu Sese Seko.

Most of Malawi's 8 million people were not even alive when the former British colony, which was then called Nyasaland, attained independence in 1964. A physician given to vehement oratory, Mr. Banda led Malawi's liberation struggle and served as its first prime minister. In what became a pattern in post-colonial Africa, he then promoted himself to president, instituted one-party rule and in 1971 enthroned himself president-for-life. As elsewhere, a cult of personality flourished and political dissenters were silenced, jailed or killed by security police.

A three-day excuse loan offered for Africa's Banda-style tyrannies was that one-party rule brought stability and economic gains, while keeping new nations from fragmenting on regional and ethnic lines. In reality, in Malawi as elsewhere, absent accountability and press scrutiny, what has flourished is corruption and brutality. After 30 years under Mr. Banda's Congress Party, Malawi's per capita income of \$200 a year and its life expectancy of under 50 years are among the world's lowest, while its infant mortality rate — one of five babies dies before reaching 5

years — is one of the highest. This sorry performance explains the ground swell of internal protest and the decision by Western donors to suspend aid to Malawi until its human rights record improves.

Under this pressure, and shamed by South Africa's democratic example, an ailing President Banda did the minimally decent thing, agreeing to end one-party rule and call an election. Fortunately, Malawi's president-elect, a former cabinet minister who broke with Mr. Banda in 1982, seems a commonsense leader with a strong political base. Malawi is luckier than other Third World autocracies. It is getting a promising second chance.

— THE NEW YORK TIMES

Other Comment

A Large British Underclass

It is because of the operation of the welfare state — and the abuse of it — that a large-scale British underclass exists. This underclass is a political challenge of the highest order. Britain faces a future in which one group of society, [the] "new rabble," is characterized by high levels of criminality, widespread drug use and child neglect and abuse, concentrated in grim, segregated council estates. We are moving toward American-style, middle-class "ghetto communities" protected by private security forces. This is the greatest long-term challenge facing this government. We ignore it at our peril.

— The Sunday Times (London).

If the United Nations Is for Real, Give It a Police Force

By Brian Urquhart

NEW YORK — What is the responsibility of United Nations members for disasters such as Rwanda and Bosnia that do not directly affect their national security and interests? In fact, is there an international responsibility that arises from membership in the United Nations?

At least in times of crisis, should the United Nations be more than the sum of its parts — the focus and agent of that common international responsibility?

If governments are unwilling to pay the whole bill for UN operations, what other sources of financing — if any — are available? Under what legal authority can an international organization assume quasi-governmental responsibilities in failed states, of which there is a lengthening list?

Except when there is a clear case of aggression, are there any circumstances in which an international force should take sides or fight in a civil war? If so, who is to do the fighting? These are a few of the questions that need to be addressed as the organization approaches its 50th anniversary next year.

Today the United Nations faces a dilemma. The public assumes that it is, or ought to be, the police force and relief-and-rescue service of the "world community." But no such community yet exists, and the UN members are increasingly reluctant to support such a role.

Take the recent reduction of UN peace-keeping troops in Rwanda, a move that Martin Perez characterized in The New Republic as the organization's "quintessential failure." The troops in Rwanda belong to members that may withdraw them at any time. The Security Council decided to reduce the force. Subsequently, Secretary-General Boutros Boutros Ghali insisted that something must be

done about Rwanda. The Council later decided on a larger contingent to protect civilians, provided that forces could be found. Now Mr. Boutros Ghali and the Clinton administration differ on where the contingent might most usefully be positioned. In this typical situation, what precisely is the United Nations?

The truth is that no one knows what to do about the scourge of civil and ethnic violence that has infected the world — not governments, not the UN Secretariat, not media pundits, experts or academics. The public, seeing horrors on its television screens, feels strongly that someone ought to do something when thousands of people are being killed or are starting to die. But there is no systematic nation or international agreement about what that something is and who should do it.

Thus, today the United Nations has never been more in demand — and its performance has never been more severely questioned.

Throughout its history, the United Nations has often provided the fig leaf that governments need to cover the gap between their publicly expressed policies and reluctance to carry those policies out. It is a place where action can be seen to be taken, even if the means to take it are inadequate. This is particularly true of the operation in Bosnia. It is acceptable so long as the arrangement is clearly understood and the member UN forces in the field are not expected to take action far beyond their capacity and mandate.

When something goes wrong, critics often can conveniently scapegoat the United Nations for incompetence. It was blamed for the killing of 18 American Rangers by General

Mohammed Farrah Aidi's militia as they tried to hunt him down in Mogadishu on Oct. 3. Actually, the Rangers were solely under U.S. command at the time.

Even if basic questions about the United Nations could be answered, its role, resources and capacity to act would need attention before it could systematically respond to the world's needs. Today the United Nations has virtually no means of its own to carry out the kinds of operations — 18 at present — that it is now being called upon to perform.

But it still struggles on, with some success. As the foreign minister of Australia, Gareth Evans, has said, it is "a miracle" that "the UN has done as well as it has in responding to the peace and security challenges increasingly hurled at it since the end of the Cold War."

Unlike a sovereign state, the 184-member United Nations is not an autonomous, self-contained institution with its own army, tax system and independent power to make decisions. If the Security Council needed to deploy highly trained forces today, the United Nations could not do so immediately. Yet a delay in deployment — indeed, difficulty in even raising adequate forces — would send a disastrous signal to the fighting factions with whom the United Nations would have to deal.

It is perfectly understandable that governments are reluctant to commit their forces in the early stages of a UN operation in which the outcome will be unpredictable. But the costs of delays and uncertainty can be very heavy, even disastrous. One solution would be a small, elite, permanent UN force composed of volunteers that could be immediately deployed as a spearhead for a later, larger operation, if that proved to be necessary.

Many objections to such a proposal have

been raised. It would give the Security Council or the secretary-general too much power; it would be the thin end of the wedge of supranationalism; the volunteers might be viewed as mercenaries; it would be expensive.

The overwhelming argument for such a force is that it would give the United Nations a desperately needed capacity for immediate action, unencumbered by the typical restrictions of member governments about deploying their own troops in international ventures.

A public authority that cannot immediately send its police officers to the scene of a disturbance will soon lose all public confidence. The same applies to the United Nations in international crises.

In the end, there are two basic questions: What is the United Nations supposed to be, and, even more important, what is it to do? Are we to go backward into an archaic age in which countries and peoples retreat into themselves and put up walls in a desperate attempt to keep the world out and to protect purely national interests?

Or do we aspire to make a success of the one world that our inventiveness and ingenuity have already brought substantially into being? If we want to take the latter course, the phrase "world community," often mouthed by politicians, will have to take on a practical meaning. And its essential rules and institutions will have to be developed.

For all its shortcomings, the United Nations provides the only existing basis for such a venture.

The writer, scholar in residence at the Ford Foundation, is a former UN undersecretary-general for special political affairs. He contributed this comment to The New York Times.

International Capitalism Can't Work Without a Strong Leader

By Benjamin C. Schwarz

SANTA MONICA, California —

There is an inherent contradiction between capitalism and international politics. Capitalism: economies prosper when labor, technology and capital are fluid, so they are driven toward international integration. But international politics drives a state to ensure that its power is distributed in its favor at the expense of rivals. That restricts production and markets and thereby fragments the global economy.

Thus, in the normal course of world politics, in which states must compete for security, a global economy is impossible to achieve.

International capitalism has enjoyed only two golden ages: the periods after the Napoleonic wars and between the two world wars. The key to both those episodes of peace and prosperity was the same — the ability and will of a single state to become a hegemonic power, taking over the security problems of weaker states so that they need not pursue autarkic policies nor form trading blocs to

improve their international positions.

This suspension of power politics through hegemony has been the fundamental aim of American foreign policy since 1945.

Even though the Cold War has ended, America's security leadership, for instance, its dominance of NATO and the alliance with Japan — is still necessary to hold in check the rivalries that would otherwise disrupt the stability that a global economy requires.

Thus, the United States must continue, as the Pentagon's 1992 draft Defense Planning Guidance argues, to dominate the international system by "discouraging the advanced industrialized nations from challenging our leadership or even aspiring to a larger global or regional role."

Assuming this awesome responsibility, the Pentagon asserts, ensures "a market-oriented zone of peace and prosperity that encompasses more than two-thirds of the world's economy." Imposing a protectorate over two-

thirds of the world economy means

not only that the United States must dominate wealthy and technologically sophisticated friendly states, but also that it must deal with such nuisances as Saddam Hussein, Kim Il Sung and Slobodan Milosevic so that potential great powers need not acquire the means to deal with those problems themselves.

This, in turn, dictates that America must spend more on national security than the rest of the world combined. Thus, stabilizing the international system is a wasting proposition.

A hegemonic power forced to place such importance on military security must divert capital and creativity from the civilian sector, even as other states, freed from onerous spending for security, add resources to economically productive investments.

As America's relative economic strength erodes, so does the comparative advantage over other powers upon which its hegemony is founded.

America's declining advantage will

spur the emergence of great power rivals, requiring it to spend more on defense to maintain its preponderance, which only further deteriorates its comparative advantage. Already, economic power has diffused from the United States to new centers of economic growth in Europe and Asia. Thus, a global economy bites the hegemon that feeds it, destroying the hegemon's relative dominance and shattering the very foundation upon which interdependence rests.

Multinational enterprises, from jueries to United Nations police actions, require a leader. The indispensable foundation for integration among the advanced industrialized nations was, and remains, American hegemony.

To hold that U.S. hegemony is no longer needed because the political, economic and military cooperation among the great powers now ensures stability and peace is to put the cart before the horse.

Most everyone applauds the highest stage of capitalism — today's

complex web of global trade, production and finance — as the dawn of a new world. But a genuinely interdependent economy is extraordinarily fragile. Today the extremely high-technology industries, for instance, are the most powerful engines of world economic growth, but they require a level of specialization and a breadth of markets that is possible only in an integrated world economy.

It is difficult to see, therefore, how capitalism can survive the decline of the Pax Americana.

Lenin argued that international capitalism would be economically successful but, by growing in a world of competitive states, would plant the seeds of its own destruction. Although the empire he built is in ruins and his revolution discredited, he may have the last laugh.

The writer is a foreign policy analyst at the Rand Corporation. This article was adapted by The New York Times from *Snapdragon*, a quarterly for the humanities and social sciences.

East Asians' Economies Need a Caucus to Promote Open Trade

By Noordin Sopiee

KUALA LUMPUR — Forty years ago, East Asia was generally

seen, rightly, as an area of political turbulence, economic backwardness and social and cultural decay. Today, what was once a region of dynasties is regarded as a region of dynamism.

With the possible exception of the Korean Peninsula, East Asia is no longer threatened by any clear or present danger, although potential trouble spots are always noted.

The rise of East Asia has been the result of a series of far-reaching changes. A political revolution with many dimensions has swept through the region. There has been a profound shift away from the left, to the point where there is perhaps only one pure Communist-Leninist, centrally planned state — North Korea — remaining in East Asia. States that were traditionally market-oriented have become even more so.

There have also been remarkable advances in political pluralism and democratization. In the last decade, East Asia has seen progress in comprehensive human rights perhaps unparalleled in human history.

There has been a peace revolution. For a time after World War II, East Asia was more bloody and turbulent than the Middle East. There was civil war or great internal violence in Chi-

na, Korea, Vietnam, Laos, Cambodia, Thailand, Burma, Malaysia, Indonesia and the Philippines. Only Singapore, Hong Kong, Taiwan and Japan were spared such conflict.

The reduction in tension has enabled countries to concentrate on development and economic growth. By 1990, East Asia's total GDP was 66

percent of North America's, up from 59 percent a decade earlier, and 73 percent of Western Europe's. History is not so obliging as to travel in straight lines, but some projections suggest that East Asia's economic output will overtake that of North America and match that of Western Europe by the end of this decade.

While gaining weight in the global economy, East Asia has become a major absorber of goods and services. In 1980, the region's imports amounted to only \$274 billion. By 1990, this had surged to \$653 billion, compared with U.S. imports of \$517 billion.

It was not long ago that East Asia was a massive importer of capital and a serious debtor region. Today it has massive capital to export. East Asian investment flows to many parts of the world. So do East Asian tourists. They flood the boutiques of Paris and the Disneyland of America.

East Asia used to depend on technology from Europe and America. The thirst for technology remains; Europe and America have a great deal to offer. But East Asian technology is now found almost everywhere.

In recent years, East Asia has been the fastest integrating area of the world in terms of trade and investment, and probably technology and tourism. The rate of integration is expected to accelerate, not slow.

What is most remarkable is that this rapid integration has taken place in the absence of intergovernmental regional economic cooperation. Unlike Europe, East Asian integration has been purely market driven.

Without a Treaty of Rome, intra-East Asian trade as a proportion of its total trade with the world rose to

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Without a Treaty of Rome, intra-East Asian trade as a proportion of its total trade with the world rose to

nearly 42 percent in 1991, from 33 percent in 1980. This despite the fact that East Asia accounts for only about one quarter of the global economy.

As a destination of East Asian exports, the United States took one third in 1985 but only one fifth in 1991. Two years earlier, Japan's trade with Asia exceeded its trade with the United States for the first time. In the early 1980s, intra-East Asian trade grew annually at an average rate of 8.6 percent. In the three years to 1992, it grew by a yearly average of 20.7 percent.

Despite falling levels of Japanese foreign investment since 1989, Japanese firms in 1991 alone are estimated to have poured \$8.7 billion into the six countries of the Association of South-East Asian Nations, compared with \$4.4 billion invested by the United States. After the recent sharp rise of the yen against the dollar, another wave of Japanese investment seems likely. This will tighten the web of interdependence and ensure even greater regional integration.

The integration that has already taken place extends beyond trade, investment, tourism, technology flows, financial and capital movements and official aid. Management techniques, production styles, and government orientations, attitudes and policies in many areas are moving toward convergence. A vast network of industrial, trading, technical and administrative contacts is being knitted together.

An East Asian culture and way of doing things has begun to emerge. Geo-economic zones of joint development that overlap national borders are sprouting in every quadrant of East Asia. And this is only the beginning.

With the rise of a de facto economic system in East Asia, a regional identity, consciousness and sense of common destiny is slowly emerging.

East Asian regional cooperation on trade and dozens of other issues should thus be considered a natural development. Such cooperation now exists in almost every part of the

world. The only major area where there has been no intergovernmental economic cooperation has been Northeast Asia.

A Malaysian-sponsored proposal for an East Asian Economic Caucus has become an ASEAN proposal. Initially it could involve consultations between nine East Asian economies: China, Japan, South Korea and the ASEAN states Indonesia, Malaysia, the Philippines, Singapore, Thailand and Brunei. Initially, such consultations would be ad hoc to expand regional economic cooperation. Externally, the aim would be to act as a coalition to ensure an open global trading system, not to form an exclusive trading bloc.

Underlying the proposal for an East Asian caucus is the conviction that the economies of the region, which are among the most dependent in the world on trade for their economic future, should have a bigger voice in making sure that the international trading system is as open as it can possibly be.

The private sector must continue to be the engine of economic integration in East Asia. However, governments should play a larger and more constructive role in laying down the tracks and building the roadways of collaboration, or, at the very least, in making sure that all users agree on which side of the road to drive.

The task of statesmanship is to ensure that East Asian economic cooperation develops in the most productive way possible, without in any way limiting trading partners elsewhere and without limiting their fullest participation in making a prosperous future that will be good for all.

The writer is director-general of the Institute of Strategic and International Studies in Kuala Lumpur, and Malaysia's representative on the East Asian Caucus Group set up to chart the future of the Asia-Pacific Economic Cooperation forum. He contributed this comment to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: Serbia Stays Calm

BELGRADE — Up to the present everything is quiet. Both here and in the provinces. A certain fear existed of an insurrectional movement. For the moment, however, the Radical party is very much discouraged. It will certainly be very difficult for it to continue the struggle under the former Constitution, which has now been revived. They have also to reckon with the hostility of the army. The Radical party desire to abolish it and transform the armed forces of the kingdom into a sort of national militia. This, of course, has had the effect of causing the military party to support the dynasty.

1919: Red Plot Reported

LONDON — The air has been full of reports, for the last few weeks, of a Bolshevik coup in England along an altogether new line. Effective steps and drastic action have taken the spirit out of a great majority of the

agitors. From the usual style of distributing reading matter, they have had great trouble disorganizing, but according to newspaper reports, there is reason to believe that the terrorists are plotting the formation of a great number of continental Bank of England notes. The news of the plot came from Russian and other continental sources, and the purpose of it was that printing presses in Russia, were being utilized to print out the duplicate notes.

1944: Big Air Assault

LONDON — [From our New York edition:] Making the most extensive low-level aerial attacks of the war against Germany, 500 to 750 U.S. fighter bombers packed today's (May 21) Allied air offensive over the Continent, which included a naval assault on battered Nazi coastal facilities in northern France, Belgium and Holland.

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Russian Army Bid: New Credibility

Herald INTERNATIONAL **Tribune.**

Zulu King Got Land In a Pre-election Deal With De Klerk

By Paul Taylor
Washington Post Service

JOHANNESBURG — South Africa's new coalition government will not officially get down to business until Tuesday, but it is already acting its first squall: the revelation of an election-day deal that surreptitiously transferred millions of acres of state land to the control of the Zulu king, Goodwill Zwelithini.

President Nelson Mandela and other senior officials of the African National Congress, the dominant party in the new government, say they were unaware of the land transfer, which was disclosed this weekend by a local muckraking journal, *The Weekly Mail and Guardian*. They have questioned its legality and raised the possibility of having it nullified.

Mr. Mandela said after a two-hour meeting with his parliamentary caucus Sunday that he would discuss the land transfer and other issues with Chief Mangosuthu Buthelezi, who heads the Zulu-based Inkatha Freedom Party and also is home affairs minister. Reuters reported.

"These are very sensitive matters," Mr. Mandela said. "We will discuss everything necessary to remove the tensions between us."

No matter how the problem is resolved, the land deal illustrates the kind of internal tensions South Africa's new multiracial coalition will face as it begins this week to redress the legacy of poverty left by apartheid.

The land deal was worked out between former President F.W. de Klerk and Chief Buthelezi, the former KwaZulu chief minister. Although both men deny it, the transfer has the earmarks of a reward to Chief Buthelezi for calling off his boycott and agreeing, seven days before the balloting began, to take part in last month's election.

If it is allowed to stand, the transfer means that roughly a third of the territory of the new province of KwaZulu-Natal will be under the sole trusteeship of King Zwelithini, who is Chief Buthelezi's nephew. The land in question was formerly part of the apartheid-era homeland of KwaZulu, which went out of existence on April 27. Along with all other homeland territory, it was supposed to automatically revert to the ownership of the new South African government.

But in one of its last legislative acts, the KwaZulu Legislative Assembly passed on April 22 a bill transferring land ownership to the king, which was then approved by Mr. de Klerk on April 25.

Chief Buthelezi said there was nothing secret about the legislation, noting that it went through all the usual legislative procedures. "If the media was not present, it is not our fault," he said.

Mr. de Klerk told reporters in England, where he is on an official visit, that the transfer was not part of any deal to bring Chief Buthelezi's Inkatha Freedom Party into the election.

The effect of the transfer is to give the king far more than just the ceremonial power that the ANC agreed to in three-way negotiations that led to Inkatha's entry into the election campaign.

Under the terms of the legislation, King Zwelithini must administer the land for the benefit and material well-being of the 8 million Zulus, who form the largest of South Africa's tribes. According to tribal custom and law, there is no such thing as private land ownership. All tribal land is held and farmed communally, with allocation of specific tracts made by local chiefs.

Mr. Mandela may choose not to disturb this arrangement. But having been confronted with a deal made without his knowledge or acquiescence, he needs to send some kind of message that such free-lancing will not be tolerated in his government, according to political sources.

The land deal is not the only warning sign of the potential for internal fissures in the coalition. The ANC has so far chosen not to take its seats in the Inkatha-dominated provincial cabinet of KwaZulu-Natal because it is dissatisfied with the ministerial portfolios it has been offered.

BLOOD: A Swiss Scandal

Continued from Page 1

lem was largely confined to the United States, Haiti and Africa. Other West European countries, including France and Germany, also minimized the threat initially even though European health authorities as early as 1983 warned against importing American blood plasma.

The revelations have created anger in Switzerland, not only because of the apparent negligence but also because the Swiss Red Cross, which is separate from the International Committee of the Red Cross, also based here, has

always been regarded as an unquestioned symbol of Swiss probity. "This was done by our beautiful Red Cross, a national monument beyond suspicion," said Jacques Barillon, a lawyer for several infected people. "Disturbing the Swiss Red Cross was like saying that Mother Teresa starved children to death."

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Prime Minister Silvio Berlusconi, left, being pressed by reporters after he visited Pope John Paul II in a Rome hospital. The Pope has been recovering from surgery for a fractured thighbone after a fall.

Andreotti to Be Tried on Mafia Links

By Alan Cowell
New York Times Service

ROME — Investigators in Sicily have decided to press for the trial of former Prime Minister Giulio Andreotti on charges of associating with the Mafia, according to judicial officials in Palermo.

The decision is the most serious step yet in the authorities' effort to substantiate assertions that Mr. Andreotti, 75, acted as the Mafia's protector in Rome.

As he has done on many occasions since such accusations were first made last year, Mr. Andreotti denied the charges, calling them "debasing and incredible" and saying he would welcome a trial to clear his name.

The accusations stem from the testimony of Mafia informers. They say Mr. Andreotti, Italy's dominant political figure for more than four decades, met with mobsters and provided political cover for organized crime.

The decision by the investigators, Guido Lo Forte and Roberto Scarpinato, to seek Mr. Andreotti's trial does not automatically implicate him but indicates that there is enough evidence to merit a hearing.

The accusations center on allegations by one informer, Tommaso Buscetta, that Mr. Andreotti was the Mafia's "point of reference" in Rome and on accusations by another, Baldassare Di Maggio, that Mr. Andreotti met with Salvatore

(Totò) Riina, the so-called boss of all bosses, in 1987 and that the two men had embraced in a kiss of respect.

Mr. Andreotti has said such encounters were impossible because he was under constant police guard. But in their 30 volumes of evidence, the investigators assert that he sometimes slipped away from his bodyguard.

Other investigators in Rome have confronted Mr. Andreotti with a photograph supposedly showing him shaking the hand of a mafioso he had denied meeting.

Mr. Andreotti is now a member of the Popular Party, the successor to the Christian Democratic Party.

REACTORS: High Stakes Fight

Continued from Page 1

domestic nuclear market, the project represents a chance to get a jump on European competitors in the fight for repair contracts that the World Bank estimates could reach \$24 billion.

But the Czech project and the administration's broader goals have touched off a high-stakes, behind-the-scenes debate in Congress and the commercial nuclear industry that will help shape the future of nuclear power in Eastern Europe, Russia and Ukraine.

Several influential legislators are concerned that the U.S. government could end up paying for damage in the case of an accident at the Czech plant, because the Westinghouse work is being financed by the Export-Import Bank of the United States.

"Any possibility that American taxpayers could be liable for a nuclear accident in the Czech Republic as a result of Ex-Im Bank guarantees would be unacceptable," said Senator Patrick J. Leahy, Democrat of Vermont.

In approving the guarantee, the Export-Import Bank said it had relied on its own safety review and assessments of the International Atomic Energy Agency and the Federal Nuclear Regulatory Commission. Environmentalists and congressional investigators have challenged those reviews.

Vice President Al Gore, widely regarded as a strong environmentalist, and his national security adviser, Leon S. Fuerth, were among the leading proponents of the project, according to administration officials.

So great is the Austrian anxiety that Chancellor Franz Vranitzky

told President Bill Clinton last month, during a meeting about Bosnia, that his government was extremely concerned.

Temelin is viewed as a breakthrough by Westinghouse, which beat European powerhouses like Siemens AG of Germany and Framatome SA of France to win the \$400 million contract.

Business is bad at home for Westinghouse and others in the industry. Part of the reason is the abundant supply of electricity and part is the effective opposition by environmental groups. The last license that led to the completion of a nuclear plant in the United States was issued in 1974.

For Temelin, Westinghouse is performing extensive tests and computer modeling to adapt its technology to the nearly completed reactor vessels. From the company's perspective, the profitability will come from replicating the work on other Soviet-designed reactors.

Several congressional committees are examining issues related to Temelin, but the primary investigation is being conducted by the oversight subcommittee of the House Energy and Commerce Committee, which is chaired by Representative John D. Dingell, Democrat of Michigan.

The subcommittee has demanded all documents related to the Export-Import Bank to approve the Temelin loan guarantee.

The subcommittee also plans to ask the General Accounting Office, the investigative arm of Congress, to conduct an extensive study at the Temelin site to determine the condition of work already completed there on the construction and mechanical systems.

CLINTON: Yes, You, Sir

Continued from Page 1

the other side. Mr. Harrison, the notion that "talk radio" is conservative, a tool of the Republicans, is just not right.

"It goes both ways," he said, since Mr. Clinton announced the presidency, the way it has for him has been highly revealing.

It is not Mr. Clinton's decisions that produce the news, many analysts suggest, but things that "people" are doing, view his character as too flawed, an office that is the "white" man that he has wiped away, the invisible barrier of awe and respect for the office that distances presidents from the personalization of opposition; that the change he represents, in policies and in action, is deeply threatening to Americans, and that Americans are transferring to him their discomfort with Mrs. Clinton's power role.

The presidential historian Stephen Ambrose said he had "no doubt" that Mr. Clinton had an unusually vocal minority of voters aligned against him. But he also pointed to the public reaction that Mr. Clinton has stimulated character flaws.

"A lot of people think he is totally insecure," he said. "Everything he does is for some political motive. That he works like hell to look like a nice guy instead of just being a nice guy."

Glen Bolger, a Republican pollster, said, "In selected congressional districts, even if you had national polls, the intensity of disapproval of Mr. Clinton was greater than it was with recent presidents."

"I think it is the combination of only getting 43 percent of the vote — people are less sure of his legitimacy claim to the White House — along with the sense that he is preaching in a moralistic tone about community and greed and values and his own life reflects none of that," he said. "I think character is a major factor."

With Paula Corbin Jones' lawsuit accusing Mr. Clinton of sexual harassment, the long investigation of the Whitewater affair and the revelation of Mrs. Clinton's commodities trading, doubts about the presidential character are of steep rise.

Polls have shown that the public's perception that Mr. Clinton has a character problem has ebbed and flowed. But it is at high tide this month, even at a time when the overall public approval of the president is either edging down only slightly or holding at slightly over 50 percent approval.

In a recent NBC-Wall Street Journal poll, pluralities of Americans rated Mr. Clinton as "poor" in terms of his ethical and moral values, with 36 percent rating him poor, 29 percent mixed and 32 percent good. A Washington Post-ABC News poll found that 56 percent said Mr. Clinton had "honesty and integrity" to serve effectively as president, down from 74 percent the week before he took office.

RUSSIA: Agreement With OECD

Continued from Page 1

economic liberalization with Western aid remained unchanged.

Lawrence H. Summers, the undersecretary of the Treasury in charge of international affairs, said in a speech on Friday that the recent slowing of inflation and other conspicuous improvements in Russian economic policy "bear out the wisdom of a strategy of measuring the pace of support with the pace of reform while at the same time engaging as intensively and at as high a level as possible."

The OECD agreement, while not providing Russia with membership in the 25-nation economic think tank, will establish a forum for detailed dialogue on economic reform policies, according to Salvatore Zecchini, an assistant secretary-general of the OECD in charge of cooperation with the countries of Eastern Europe.

The OECD deal with Russia, to be called a "Declaration on Cooperation," will include:

- An invitation to Russia to join a number of OECD committees as an observer. OECD committees of interest to Russia include those on financial markets, on industry, on agriculture, and on social and employment issues.
- A commitment to agree on an annual "work plan" for Russia that will include the preparation by OECD staff of sectoral analyses

and policy options for reform.

• A plan to bring Russia into OECD advisory groups on privatization, foreign investment, industry and the environment.

"We are aiming for a process of cross-fertilization, and I would characterize this agreement as one of the most important steps taken by Russia and the industrialized countries to have a more sharply focused forum for discussions," Mr. Zecchini said.

He added that while Russia's participation in institutions such as the International Monetary Fund and the World Bank required the acceptance of rules on economic interaction in exchange for financial aid, the OECD deal "means they are entering a process of policy discussion that is much more specialized, and where there is no counterpart in a negotiating process."

Western diplomats said in interviews that they also hoped it would be possible to make progress at next month's annual OECD meeting on the requests for full OECD membership by Poland, Hungary, and the Czech and Slovak republics, which they see as more advanced along the road to economic reform than Russia. "We hope to begin formal talks about membership, but it could take two years or more before they finally join," one diplomat said.

THE MASSACRE AT EL MOZOTE

A Parable of the Cold War
By Mark Danner. Illustrated. 304 pages. Paperback, \$12. Vintage Books/Random House.

Reviewed by Christopher Lehmann-Haupt

IN his marvelously lucid and fair-minded work of investigative journalism, "The Massacre at El Mozote," Mark Danner, a staff writer for *The New Yorker*, recounts a horrifying incident in the recent Salvadoran civil war that he aptly denotes "a central parable of the Cold War."

Including both Danner's original New Yorker piece and a lengthy section of documents connected with the incident, the volume surveys two overlapping aspects of the story.

First, it explores inward to establish exactly what happened in December 1981 in the mountains of northeast El Salvador to account for the presence of the many skeletons that were exhumed in the ghost village of El Mozote in the autumn of 1992.

Basing his account on the evidence of these remains and on the testimony of a few survivors, Danner concludes that in the course of a campaign against rural guerrilla rebels, a Salvadoran government unit known as the Atlacatl Battalion rounded up and slaughtered 767 people from El Mozote and surrounding hamlets, many of them women and children.

Of course, this account is agonizing to read and is redeemed only by the clarity of perspective the author brings to it. You struggle to understand both the brutality of the soldiers and the suffering of the victims, and feel as if you are staring into the bowels of hell.

Then Danner's account moves outward to trace how the news of this massacre was received by the world.

To complicate matters, the first reports were published at the time of the debate between, on one side, a Ronald Reagan administration trying to step up aid to the ruling military junta that backed the Atlacatl Battalion, and, on the other side, human-rights advocates who were understandably eager to curb the excesses of what had become an extremely dirty war.

WHAT THEY'RE READING

• Julian Bond, the American civil rights leader, is reading "W. E. B. DuBois: Biography of a Race, 1868-1919" by David Levering Lewis. "I'm enjoying it just about more than any other book I've read. It is the most comprehensive look at DuBois and the start of the 20th-century civil rights movement. It is richly detailed and thoroughly researched. It is just a marvelous look at the man and his times." (Barry James, IHT)

The focus of this debate was a U.S. Congress divided over ideological issues, worried about underwriting atrocities and fearful of being accused of losing El Salvador to communism.

Given these crosscurrents of concern, the news of the massacre got wrapped in layers of ideology before the facts could be objectively examined. As Danner tells it, the pro-rebel forces used the massacre for propaganda purposes, while the anti-Communist side more or less denied that anything had happened beyond the normal misfortunes of war.

The most devastating thing about "The Massacre at El Mozote" is that it makes you see the hopelessness of the logic on both sides.

The rebels were right to expose the occurrence of the massacre, but in the very act of doing so they committed propaganda by broad-casting the justness of their own cause and the wrongness of the enemy's.

At the same time, by adopting the Maoist strategy of swimming like fish in the sea of rural peasantry they invited the only logical response of a determined enemy, which was, as the officers of the army put it, "to take away the water from the fish," or get rid of the peasants, even if, as Danner reports of El Mozote's inhabitants, they happened to be born-again Christians opposed to communism.

And if this strategy involved the slaughter of innocent children, why this was the new rule of war as implicitly agreed upon by both sides.

BRIDGE

By Alan Truscott

HOW well extraterrestrials play bridge is a subject that receives little attention, perhaps understandably. The only evidence comes from Warren Dix of Riyadh, Saudi Arabia, who reports on the appearance of some Little Green Men wearing metallized jump suits at a duplicate game at the French Bridge Club in Athens.

On the diagrammed deal the South cards were held by Minnie, a Little Green Woman, and she played five spades with great skill. After the opening club lead, threatening a ruff, a routine attempt to draw trumps would have failed. At other tables West won the second round of spades, underled the heart ace and scored the decisive club ruff.

After some faint buzzing under her conical metallized head, Minnie won with the club king and led a diamond to the ace at the second trick. She then led the diamond queen planning to discard her heart, but had to ruff when East produced the diamond king. She glanced with interest at West's ten-spot, then crossed to the spade ace, led the diamond eight and hopefully threw her heart five. When West with the diamond jack she gave him a Little Green smile and made her contract.

never had a man, this girl had sung hymns, strange evangelical songs, and she had kept right on singing, too, even after they had done what had to be done, and shot her in the chest.

"She had lain there on La Cruz with the blood flowing from her chest, and had kept on singing — a bit weaker than before, but still singing. And the soldiers, stupefied, had watched and pointed."

"Then they had grown tired of the game and shot her again, and she sang still, and their wonder began to turn to fear — until finally they had unsheathed their machetes and hacked through her neck, and at last the singing had stopped."

Throughout the remainder of this overwhelming book, you keep straining hopelessly to hear the sound of that singing.

Christopher Lehmann-Haupt is on the staff of *The New York Times*.

ly, from a terrifying passage about a woman who found her own way to transcend the pain:

"There was one in particular the soldiers talked about a girl on La Cruz whom they had raped many times during the course of the afternoon, and through it all, while the other women of El Mozote had screamed and cried as if they had

At another table, the contrast and the lead were the same. A Greek player attempted the same line of play, but an L.G.M. named Shobote, sitting West, shrewdly played the diamond ten on South's deuce. When the queen was led from the dummy at the third trick he diagnosed the situation exactly. After only a short buzz he dropped the diamond jack and the contract had to fail, since East's nine controlled the suit. There was no longer any way for South to prevent East from gaining the lead and giving his partner a club ruff.

North South were vulnerable. The bidding:

West	North	East	South
4♣	Pass	3♣	3♦
4♦	Pass	3♦	3♥
4♥	Pass	3♥	3♠
4♠	Pass	3♠	3♠

West led the club two.

LATIN AMERICA A New Investment Partner

How to Reap the Dividends of the Region's Economic Revival
LONDON · JUNE 9-10 · 1994

JUNE 9

JUNE 10

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Edoardo Aninat, Finance Minister, Chile

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REGISTRATION INFORMATION

The fee for the conference is £650 plus VAT at 17.5%. This includes both lunches, the cocktail reception and all documentation. Fees are payable in advance and will be refunded less a £65.00 cancellation charge for any cancellation received in writing on or before June 1, after which time we regret there can be no refund. Substitutions may be made at any time. The conference sponsors reserve the right to amend the program if necessary.



Herald Tribune

REGIONAL AND SUB-REGIONAL INTEGRATION: AN ENGINE FOR GROWTH

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CENTRAL AMERICA

Ana Ordoñez de Molina, Finance Minister, Guatemala

THE GROUP OF THREE

Government Minister, Colombia

THE ANDEAN REGION

Enrique García, President, Andean Development Corporation

MERCOSUR

Jorge Herrera Vegas, Under Secretary, Economic Integration, Argentina

SOUTH AMERICAN FREE TRADE AREA

Rubens Antonio Barbosa, Ambassador, Brazilian Embassy, London

THE LINK WITH EUROPE

Juan Prat, Director-General for North-South Relations, European Commission, Brussels

ROUNDTABLE: INVESTING IN MAJOR NEW INFRASTRUCTURE PROJECTS

Russell Herbert, Managing Director, Global Gas, British Gas, London

Inaki Santillana, Chief Executive, Telefonica Internacional, Madrid

CONSOLIDATING THE GAINS: OPPORTUNITIES FOR FUTURE INTERNATIONAL INVESTMENT

ECUADOR

Leonardo Stagg, Director, Ecuadorian National Finance Corporation

PERU

Jorge Camet, Minister of Economy

URUGUAY

Ignacio de Posadas, Minister of Economy

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In Poorest Corner of Haiti, The Food Lines Grow Longer

Aid Groups Fear New Embargo Will Aggravate Hunger

Douglas Farah

Washington Post Staff Writer

BOMBARDOPOLIS, Haiti — Every morning except Sunday, hundreds of barefoot, skinny, almost naked children line up in front of a smoky shack with a thatched roof to receive their only meal of the day, the one thing that keeps them alive in the poorest corner of Haiti, the Western Hemisphere's poorest nation.

"Without the feeding program, 75 percent of these people would die," said Lessene Joseph, a Baptist pastor who works in this Nord-Ouest department, referring to the feeding program run by CARE, a relief organization. "We have very little to produce now. Many people cannot plant now because they have no seed. They have eaten it."

The Nord-Ouest has suffered four years of severe drought. Relief workers and those who eke out a living in these steep, eroded hills have seen a UN-mandated embargo on petroleum products begin in October greatly increased the cost of food and transport, making an already bad situation much worse.

And the near-total embargo that went into effect on Sunday, supported by the United States and aimed at forcing the nation's military leaders to resign and allow the return of the deposed president, the Reverend Jean-Bertrand Aristide, is likely to make things worse. The only things exempted are food, medicine and propane gas for cooking.

Father Aristide, the nation's first elected president, was overthrown by the military in September 1991. He asked for the embargo to be lifted for the military into submission. But so far, with neighboring Dominican Republic allowing contraband to flow through, the measure has driven prices up, allowing the wealthy and the officer corps to survive, while making life increasingly difficult for everyone else.

[The United States is pressing the Dominican Republic to cooperate in enforcing the new trade embargo, Vice President Al Gore said Sunday. He declined to specify whether Washington was using the Dominicans' lucrative sugar trade with the United States as a lever to bolster Dominican enforcement along its border with Haiti.]

President Bill Clinton and other world leaders say the suffering in Haiti is a direct result of the military's failure to allow Father Aristide to return, and the officers are responsible for the worsening conditions.

But in this largely illiterate region, where news from the outside is scarce, electricity almost unknown and even radios are hardly available, many people seemed only to know that their lives were worse now than before, and had no understanding of what the embargo was about.

"I don't know where the embargo comes from," said an elderly cook at the center. "It just falls on us from the sky."

With the gasoline embargo, it has become prohibitively expensive to move anything to this mountain hamlet 290 kilometers (180 miles) northwest of the capital, a grueling 9-hour trip in a four-wheel-drive vehicle. The three buses a week that used to make the trip have long since stopped, in part because the gasoline prices and in part because the road has almost disappeared. The number of riders on the few vehicles that make the trip have climbed fourfold, making it impossible to bring in goods or move produce to market.

"The situation here is critical in every sense," said Stanfield Elevant Jr., the town's mayor. "The embargo has completely crushed Bombardopolis."

Items that are already scarce like seeds, insecticide and pesticides, as well as the few consumer goods still available, will likely become completely inaccessible under the latest embargo.

"The land does not produce anymore," said Jean-Ribert Pierre, a farmer. "I can't buy insecticide. Caterpillars eat everything. This country has had it. It is lost."

CARE and other relief agencies are able to distribute food because the United Nations has authorized fuel for humanitarian uses.

But Gary Philoctete, deputy director of CARE, said increased sanctions would lead to more problems in distribution because of the constant need for spare parts and other items needed to carry out the program. Rains and lack of maintenance of the roads wear out vehicles and increase the difficulty of distribution.

And, according to diplomats and relief workers, pharmaceuticals, while exempted, will be more costly and scarce because it is not yet clear whether private flights, needed to bring in many of the goods, will be allowed to continue.

While the feeding programs will continue, relief workers said, the

needs have grown beyond the ability of CARE and other organizations to meet them. CARE cooks for 300,000 children, pregnant women and old people six days a week in the Nord-Ouest and neighboring Artibonite departments.

Last year, the program was expanded to include 320,000 more people, who now receive dry food in large quantities to supplement their meager diets. CARE is one of the few groups to regularly visit this region.

"A year ago, we were feeding 200 kids a day here," said Remelien Aramis, 34, who is in charge of the feeding center. "But now more and more come, and we have 250 or 300 children, and pregnant women and old people. So the same amount of food has to go further."

Matt Anderson, a CARE worker familiar with the area, said requests for aid were pouring in, but "we can't help everyone because we have limited stocks."

Much of the food is donated by USAID in an effort to blunt the effects of the embargo on the poor. The meal consists of wheat and soy meal, cooked into a high-protein gruel, sometimes with sardines donated by the Canadian government.

"We eat here now, then the chil-

dren go to sleep crying because there is no more to eat," said 13-year-old Emmanuel Remelien, as he waited in line along with several dozen children. "This is the only food we have today, because there is no food at home to feed us. Life is hard in this country."

Many of the children bore the classic signs of malnutrition, with large, shrunken bodies and hair turned blond from a lack of protein.

For a while, people tried to make ends meet by selling off their herds of goats, traditionally kept as a reserve to be sold for cash in tough times. Now those are gone, too.

According to a February 1994 report from USAID, the "average nutritional status of children weighed in the monitoring network continues to worsen."

"In March 1993, 15 percent of children weighed were (moderately or severely) malnourished; in January 1994, 20 percent were either moderately or severely malnourished."

But in the Nord-Ouest region, almost 30 percent of the children are moderately or severely malnourished, according to the report. And the proportion of low birth weights is the highest in the country, about 15 percent.



Israeli police arresting a rightist demonstrator in Jerusalem over the weekend during a protest over the killing of two Israeli soldiers.

Israel Issues Alert After Raid

Shiites Vow Revenge for Abduction of Leader

By Clyde Haberman

New York Times Staff Writer

JERUSALEM — Israel on Sunday put its overseas missions and its soldiers along the northern border on alert against possible reprisal attacks for its kidnapping of an Islamic guerrilla leader in Lebanon.

Shiite Muslim militants in Lebanon threatened a "spectacular" retaliation for a daring raid on Saturday in which Israeli commandos had flown deep into Lebanon and captured Mustafa Dirani, who heads a pro-Iranian group, Israel says he may have information on the whereabouts of a long-missing Israeli airman. He was being interrogated at an undisclosed location.

That there might be reprisals is accepted as inevitable in Israel. Officials keenly recall that soon after their last big attack against a Lebanese Muslim leader, a helicopter ambush in February 1992 that killed the local head of Hezbollah, his wife and young child, the Islamic Jihad group blew up the Israeli Embassy in Buenos Aires, killing two dozen people and wounding scores of others.

So, with Buenos Aires in mind, the government sent out an alert to all embassies and consulates. It also ordered army commanders along the Lebanese border to prepare for possible rocket attacks by Hezbollah guerrillas against Isra-

el's northern towns and settlements.

For now, however, the battle was one only of words. There were no reports of military action at the border. And as for a possible effect on the Middle East peace negotiations, there was silence both from Lebanon and its patron, Syria, which dominates the Bekaa area where Mr. Dirani lived and was seized in the middle of the night.

The panache of the operation, plus the absence of casualties other than an Israeli soldier slightly wounded in a flurry of gunfire, provided a morale boost to many Israelis. The presumed domestic boon for Prime Minister Yitzhak Rabin prompted a few opposition figures to charge that the kidnapping was politically motivated, an accusation flatly rejected by government and army leaders. The logistics had been worked out months ago, they said, and the timing was based purely on "operational considerations."

Lieutenant General Ehud Barak, the army chief of staff, insisted that he was guided by the "moral debt" that he said was owed to Captain Ron Arad, an air force navigator who was shot down over southern Lebanon in 1986 and who is one of six servicemen missing in Lebanon.

Their fate is a highly emotional issue for many Israelis. Feelings are especially strong in the case of Captain Arad, the only captive whom

Israeli officials give a good chance of still being alive, even though Mr. Rabin acknowledged this week that he had "no definitive proof one way or another."

Unlike the situation with Sheikh Abdel Karim Obeid, an Islamic leader in Lebanon who was kidnapped by Israel in 1989 and is still being held, Mr. Dirani was not seized to be used as a bargaining chip to obtain the navigator's freedom. It did not work with Sheikh Obeid and it certainly will not work this time, Mr. Rabin said.

Instead, he said, Israel wants Mr. Dirani to find out what he knows about Captain Arad's possible whereabouts.

In 1986, the Israelis say, Mr. Dirani was a leader of a group that had captured the Israeli, and then returned him over two years later to Iranian-supported revolutionaries in exchange for \$300,000.

Palestinian Police Action
Palestinian police officers set up a roadblock in the Gaza Strip and checked Palestinian cars for weapons Sunday, responding to Israel's demand for tighter security after two soldiers were killed by Islamic militants. The Associated Press reported from Jerusalem.

In the West Bank town of Hebron, Israeli troops using anti-tank missiles raided a hideout of Islamic militants, demolishing several homes and killing one person, radio reports and witnesses said.

Rebel Units Get Control Of Airport In Rwanda

By Keith B. Richburg

Washington Post Staff Writer

NAIROBI — Rebel forces in Rwanda seized control of the international airport in Kigali, the embattled capital, on Sunday, then routed government troops at an adjacent army barracks after three days of the fiercest urban fighting since the country collapsed into civil war and anarchy last month.

United Nations officials in Kigali confirmed that the rebels had taken control of the airport, the main lifeline for relief supplies into the capital and the proposed staging area for 5,500 peacekeeping troops scheduled to go into Rwanda under a recent UN resolution.

The airport had been shut for three days because of the intense mortar and artillery fire. The fighting damaged the nearby UN compound.

"It was the heaviest fighting I have seen since the civil war started," said a UN military officer, Captain Heroldo Garcia of Uruguay.

It was unclear how the rebel takeover of the airport might affect relief efforts. The UN relied on the airport for daily food flights from Nairobi, but the international Red Cross had been taking supplies overland from Burundi.

The takeover also calls into question the future dispatch of additional UN African peacekeepers.

The United States, which would be expected to use its airlift capabilities to support the UN intervention, had already expressed its reservations about sending troops into Kigali's airport until an assessment could be made about security.

General Romeo Dallaire, commander of the small UN contingent in the capital, was quoted by news agencies Sunday as saying that Rwandan government forces, mostly members of the Hutu ethnic group, evacuated the airport just before dawn, without resistance.

After taking the airfield, rebels of the Rwandan Patriotic Front quickly advanced eastward to the government army barracks at Kanombe, which at the time was being defended by three battalions.

The fall of the barracks triggered a stream of more than a thousand fleeing civilians. Some armed refugees apparently sought protection with Ghanaian UN peacekeepers, who dismissed them.

Rwanda erupted in chaos on April 6, when President Juvénal Habyarimana was killed when his plane crashed, apparently shot down by a rocket. Since then, rebel troops have been steadily advancing on the capital and consolidating their hold on other parts of the country. The rebels are a predominantly Tutsi movement, but lately their ranks have been swelled by Hutus who have also become victims of the systematic campaign of extermination in the capital. The campaign has targeted mostly Tutsis, but also Hutus considered sympathetic to the guerrillas.

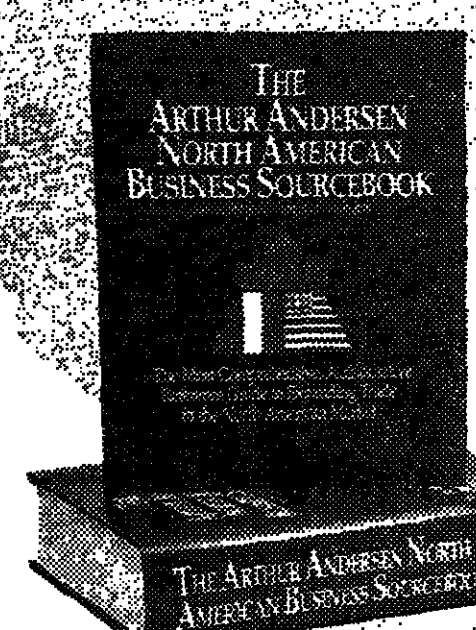
The United Nations and various relief agencies have estimated the death toll in the fighting at a quarter of a million to 500,000 since the bloodletting began.

Tens of thousands of corpses have been dumped into the Kagera River, which winds its way from Kigali through Tanzania and Uganda into Lake Victoria.

The presence of thousands of bloated, decomposing bodies washing into Lake Victoria has caused a health emergency for Uganda. On Sunday, President Yoweri Museveni declared three lake districts a disaster zone. The president's office estimated that as many as 40,000 corpses had appeared in Lake Victoria.

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Australia Holds Suspect In Killing of 7 Hikers

The Associated Press

CAMPBELLTOWN, Australia — The police arrested a key suspect on Sunday in the killing of seven backpackers in the New South Wales highland forests, charging him with armed robbery and refusing him bail.

Officers continued questioning the 49-year-old suspect in the slayings of two Britons, three Germans and two Australians, but have not yet charged him with the murders. The seven bodies were found 60 miles (96 kilometers) southwest of Sydney.

WEEKLY INTERNATIONAL BOND PRICES

provided by CS First Boston
limited, London, Tel. (071)
16 40 25. Prices may vary
according to market conditions
and other factors. May 20

Yollar Straights

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CAPITAL MARKETS

Dollar and Mark Remain Under Clouds of Doubt

By Carl Gewirtz

International Herald Tribune

PARIS — Prices in the major bond markets continued to improve last week, but the mood remained tentative rather than optimistic. The two benchmark sectors look especially fragile. The dollar's continued weakness after what should have been favorable changes in short-term interest rates restrains enthusiasm for U.S. dollar paper, while a feared overshooting of German money-supply growth keeps investors cautious about plunging into European markets.

Views remain widely divergent about the likely rate of growth in Germany and the implication this has for short-term interest rates. The Bundesbank president, Hans Tietmeyer, strengthened the view of those who see German rates as having bottomed when he said last week that "the horizon for key rates has been settled for some time to come." Meanwhile, reports that April money-supply growth, to be reported this week, will show another massive overshooting of the official target are adding to the uncertainty and raising fears that German bond prices could suffer a setback.

A rise in yields on long-term German paper would no doubt upset the other European markets. The clear trend over recent months is for the spread — the premium of other markets' yields over German ones — to narrow as conditions improve in Germany and for spreads to widen as the mood deteriorates.

In price terms, this means that when German bond prices rise, the improvement is bigger in the other markets, and when prices fall in Germany, the decline elsewhere is sharper.

The Deutsche mark's performance on the foreign-exchange market is a further ingredient in the bond-market recipe, as weakness by the mark against the dollar usually translates to mark weakness against other European currencies. Strength against the dollar, conversely, usually means a rise against the other European currencies — and a disincentive to buy into those bond markets.

The dollar hit a high of 1.6765 DM early last week after the half-point increase in U.S. interest rates but then rapidly lost steam. It ended the week at 1.6454 DM. Traders said it would have gone lower but for the long weekend — many European markets are closed Monday — and widespread expectations of central-bank intervention.

Doubts about the dollar's capacity to revive and lingering uncertainty over whether the Federal Reserve Board has achieved its desired tightening or is simply pausing to assess the impact of its recent increases in keeping foreign money out of the U.S. bond market. Analysts at J. P. Morgan & Co. predicted the Fed would not tighten again before July, but they maintained the view that short-term rates, now at 4.25 percent, would stand at 5.5 percent by year-end.

Another factor weighing on the U.S. bond market is the trade dispute with Japan, which keeps Japanese investors out of the market until they

See MARK, Page 11

German money supply and the Fed's intentions keep investors on edge.

U.S. Considers Selling Alaskan Oil

Los Angeles Times Service

LOS ANGELES — Negotiations behind closed doors have removed a major obstacle to lifting the United States' ban on exporting Alaskan crude oil.

Independent oil producers in California — where a decision to export Alaskan crude could also stimulate the troubled local oil industry and create thousands of jobs — estimate that ending the export ban also could trim more than \$2 billion annually from the U.S. trade deficit with Japan, which would be the most likely market for the oil.

Until now, U.S. maritime unions — whose tanker crews by law now ship the Alaskan oil to U.S. ports in California and the Gulf Coast — have opposed lifting the ban, effectively blocking congressional action. But the unions have quietly accepted a deal in principle that would send the oil to Asian markets on U.S.-flag ships, sources close to the talks say.

That agreement — reached in recent weeks by the unions and with British Petroleum PLC, one of the big Alaskan oil producers — means the U.S. Congress will probably remove the export ban when it extends the Export Administration Act, a measure currently under consideration in both the House and Senate, according to officials familiar with legislative discussions.

Independent California oil producers and

oil companies working in Alaska — princi-

Officially of the Seafarers International Union, based in Washington, declined to comment last week, and British Petroleum executives could not be reached for comment. But other sources close to the discussions confirmed the outline of the agreement. Most agreed that a pact between BP and the unions would have to be given force of law by Congress.

Howard Markow, a spokesman for the Coalition to Keep Alaska Oil — a group that opposes lifting the ban — confirmed that some coalition members have told BP they would support the deal.

Exxon Corp. and Los Angeles-based Atlantic Richfield Co., both big producers in Alaska, use their crude primarily in their own refineries and distribution networks. But BP has long wanted to sell its Alaskan oil to Asian refiners — sales on which the company could expect a bigger profit. Diverting the Alaskan crude to Asia would spur production by California refiners and almost certainly raise their prices, which they say are depressed by an average of \$2.50 a barrel.

In both Alaska and California, oil specialists say that lifting the ban would increase investment in the industry. But few of them expect it would have much impact on the local retail price of gasoline, as retail prices depend largely on world oil prices.

pally British Petroleum — have long lobbied to end the ban, which they say floods the California market with Alaskan crude.

That depresses oil prices in the region and makes it uneconomical to pump oil from California fields, the industry contends. Since the ban went into effect amid the oil crises of two decades ago, 32,000 jobs and \$623 million in state and local tax revenue have been lost, according to estimates made by the California Independent Producers Association.

The ban is "a relic" of 20 years ago, said Dan Kramer, executive director of the producer trade group. The export limits — and the assurance of U.S. control of the shipping jobs — were embedded in the legislation that authorized construction of the Trans-Alaska Pipeline. At the time, oil prices were soaring and Washington was concerned about its dependency on foreign oil.

At first, most of the crude made the long journey from Alaska to refineries on the Gulf Coast. But in recent years, as West Coast refineries have been modified to accept the Alaskan crude, most of the oil has ended up making the shorter, less expensive trip to California.

That, California producers say, forces an extra 300,000 to 500,000 barrels a day of Alaskan crude onto the California market. Others, however, estimate that the "excess" oil is about half that much.

China Takes Aim at Copyright Pirates

Bloomberg Business News

BEIJING — Faced with the prospect of billions of dollars in U.S. sanctions, China has vowed to jail copyright pirates for up to seven years and to execute serious trademark infringers.

"To safeguard the integrity of ideas and the dignity of the law," Minister of Justice Xiao Yang told an international symposium over the weekend, "criminal sanctions must be imposed on those who commit offenses against intellectual property rights."

Washington recently gave China until June 30 to prove it is enforcing its laws against widespread piracy of U.S. goods. Failure to do so will trigger a six-month economic sanctions study of whether economic sanctions are needed to force China's hand on the issue.

Determined to rid itself of its reputation as an Asia piracy haven, the Chinese government has vowed to bring a case against piracy in southern China before the courts.

"Anyone who dares to obstruct

the fight against acts of counterfeiting registered trademarks is to be severely punished regardless of his post or status," Li Bida, deputy director of China's Trademark Office, said in a speech. "More severe punishments should be imposed on major criminals including life sentences and the death penalty."

Since July 1992, China has shot four men for selling counterfeit spirits, cigarettes, fertilizers and medicine. But until now, violators of copyrights only lost their illicit profits.

Justice Minister Xiao said he supported a measure under consideration by Parliament that would allow jail terms of up to seven years for copyright pirates. The legislation is due to be approved this autumn.

Global industry groups said the legislation would make it worthwhile for them to bring cases against pirates. The International Federation of the Phonographic Industry has yet to bring a case against pervasive piracy of compact disks in southern China be-

cause the punishments are so lenient, said Giouws Juichian, the federation's director for Asia.

"We've found that until someone goes to jail, no one pays attention," Stephanie Mitchell, vice president of the Business Software Alliance, told the symposium. The alliance is only pursuing six cases, though it says that about 90 percent of the software in use in China has been pirated.

Compact-disk and software piracy are the main areas of U.S. concern, each accounting for about a third of the \$827 million in annual losses to U.S. companies that officials in Washington estimate are caused by Chinese piracy.

Mr. Xiao also said the Chinese government is about to publish a decree prohibiting the import and export of goods involving rights violations and will expand the staff at its enforcement agencies.

Mr. Giouws of the phonograph federation said exports were the key problem since China has 26 plants producing 75 million disks

per year while domestic demand is only about 5 million per year.

While he said he welcomed police raids on pirate CD shops in southern China last month, Mr. Giouws said it could be six months before any factories were closed.

That would be too late to stave off a U.S. investigation on June 30.

Cellular Phone Forecast

A Motorola Inc. spokesman said Saturday that his company expected demand in China for cellular phones, especially in Shanghai and the coastal provinces, to grow by at least 100 percent a year over the next three to four years, Reuters reported from Shanghai.

The spokesman said Motorola and the Ericsson AB have about an equal share of nearly 60,000 users in Shanghai.

He was speaking after Motorola signed an agreement with the Shanghai Post and Telecommunications Bureau to double its system's capacity, enabling it to double the number of users.

Italy Agrees To Safeguards In INA Sale Plan

Compiled in Our Staff From Dispatches

ROME — The privatization of the insurer Istituto Nazionale Assicurazioni SpA will go ahead as planned, the government announced over the weekend, but officials agreed to add provisions to protect minority shareholders.

The sale of the insurance company, owned by the Italian Treasury, is set for June 27, but Chairman Lorenzo Pallesi had said it could be delayed until October if the government did not approve the operation in time for a shareholders' meeting on Monday.

The government confirms its intention to proceed with the privatization of INA according to the calendar already established, it said in a statement issued Saturday after a cabinet meeting of Prime Minister Silvio Berlusconi's new administration.

The statement added, however, that some safeguards would have to be included in the plan.

"The government supports modifications to the INA statute to give minority shareholders efficient protection and to introduce incentives for the company management," it said, without giving details.

The RAI television network quoted Budget Minister Giancarlo Pajjarini as saying the government would sell 51 percent of INA in the late-June offering.

One of Mr. Berlusconi's political allies, the Northern League, has been fiercely critical of the role played by the bank Mediobanca in the government's recent sales of stakes in Credito Italiano SpA and Banca Commerciale Italiana SpA.

Purchasers in those sales were limited to acquiring stakes of less than 3 percent, but Mediobanca appeared to gain effective control of both companies by having corporate allies invest in them and win places on their boards.

In the INA sale, Mr. Pajjarini said, the government may set a maximum shareholding of as little as 0.5 percent of the company and make it easy for private holders to vote on matters affecting the company without attending shareholder meetings. He said details of those measures would be decided

Monday at a meeting of the current shareholders of INA — the Treasury, the Ministry of the Interior, the Ministry of Justice and several government-controlled financial institutions.

The Budget Ministry, along with the Treasury and Industry ministries, is overseeing the Italian government's program of selling state-owned companies.

INA has shareholder equity totaling about 11 trillion lire (\$7 billion).

(Reuters, Bloomberg)

Virgin Wins Paris Fight to Open Sundays

Reuters

PARIS — Virgin Group, which defied a French ban on Sunday retailing, has quietly triumphed after the government dropped the ban.

"Our stores open seven days a week," said the recorded telephone message at the Virgin Megastore music and film emporium on the Champs Elysees. "On Sundays, we are open from noon to midnight."

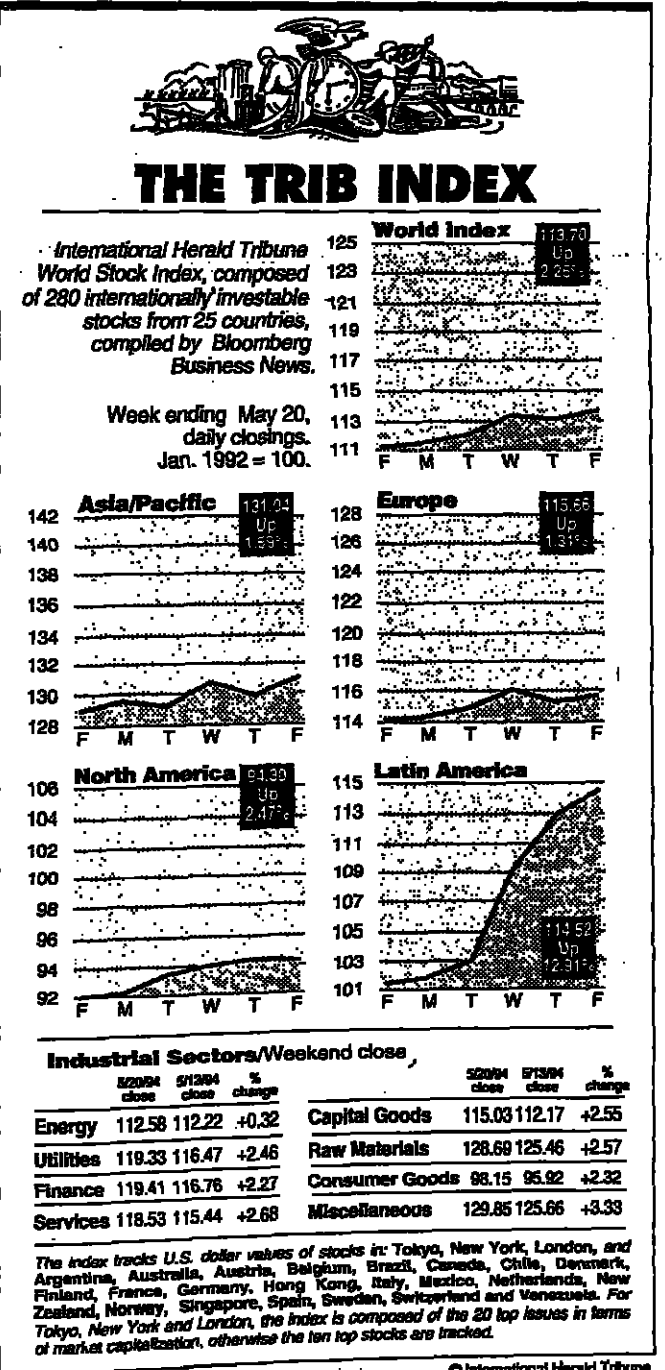
Virgin Megastore, owned by Virgin Group of Britain, opened on three successive Sundays last summer, angering unions and risking huge fines in its fight against the government for the right to do business on Sundays.

It eventually agreed to abide by the law pending a review.

Despite opposition, the French official gazette on Friday published new regulations allowing Sunday trading in leisure goods in tourist areas.

Unions argue that Sunday trading would not create jobs but would lead companies to deny workers' rights to a weekly holiday.

A Virgin spokesman had argued that 20 percent of the store's annual 8 million customers came on Sundays.



CURRENCY RATES

Cross Rates				May 20			
	Per \$	Per £	Per ¥		Per \$	Per £	Per ¥
Australia	1.48	0.78	1.08	1.08	1.48	0.78	1.08
Canada	1.33	0.68	0.93	0.93	1.33	0.68	0.93
France	1.66	0.83	1.13	1.13	1.66	0.83	1.13
Germany	1.36	0.68	0.93	0.93	1.36	0.68	0.93
Italy	1.36	0.68	0.93	0.93	1.36	0.68	0.93
Japan	1.08	0.54	0.74	0.74	1.08	0.54	0.74
South Africa	1.48	0.78	1.08	1.08	1.48	0.78	1.08
Switzerland	1.48	0.78	1.08	1.08	1.48	0.78	1.08
UK	0.78	1.08	1.33	1.33	0.78	1.08	1.33
US	1.00	0.68	0.93	0.93	1.00	0.68	0.93

Closings in Amsterdam, London, New York and Zurich. Rates in other centers: Toronto rates of 3 p.m.

a: To buy one pound; b: To buy one dollar; c: Units of 100; N.A.: not available.

Other Dollar Values

Currency	Per \$	Currency	Per \$
Argentine peso	1,000	Israeli sheqel	4.00
Australian dollar	1.48	Japanese yen	108
Belgian franc	36.36	South African rand	1.48
British pound	0.78	Swiss franc	1.48
Canadian dollar	1.33	Taiwan dollar	20.00
Chinese yuan	8.27	Thai baht	25.00
Czech koruna	20.00	Yen	108
Danish krone	6.46		
Deutsche mark	1.36		
French franc	6.55		
Italian lira	200.00		
Portuguese escudo	200.00		
Spanish peseta	166.67		
South Korean won	200.00		
Swedish krona	8.46		
Swiss franc	1.48		
Taiwan dollar	20.00		
Thai baht	25.00		
Yen	108		

Forward Rates

Currency	30-day	60-day	90-day
Australian dollar	1.48	1.48	1.48
Canadian dollar	1.33	1.33	1.33
Japanese yen	108	108	108

Sources: ING Bank (Amsterdam); Deutsche Bank (Frankfurt); Citicorp (New York); Reuters (London); Bloomberg (New York); Reuters (Tokyo); Reuters (Sydney); Reuters (Zurich). Other data from Reuters and AP.

Fish Gotta Swim, Fish Gotta Fly

By Michael Richardson

International Herald Tribune

SINGAPORE — Tan Bok Yang divides much of his working day between two privately owned companies here: Red Sea Aquarium Pte. and Flying Freight Agency (Singapore) Pte.

He is chairman of both, as well as of a third company firm that has a substantial share in a goldfish breeding farm in China.

There is a close link, he says, among these seemingly divergent small businesses that together employ several dozen people.

Singapore is the world's largest exporter of ornamental fish, accounting for about 20 percent of the global trade. The industry had 76 million Singapore dollars (US\$49 million) in foreign sales in 1993, up from 47 million dollars in 1986.

Most of the 300 varieties of fish exported from Singapore — guppies, swordtails, armored catfish, platys, tetras, angelfish, mollies, barbs, gouramis, fighting fish and so forth — end up in pet shops and household display tanks in about 60 countries, mainly in Europe and North America.

"Our ornamental fish are relatively cheap, good quality and beautiful to look at," said Mr. Tan, who is also president of the Singapore Aquarium Fish Exporters' Association. "Buyers like the variety of colors, shapes and sizes."

The association's 43 members are all small companies that are privately owned by Chinese Singaporeans. Although Mr. Tan and other proprietors will not divulge their sales or profit figures, analysts said that the largest fish farms have a turnover of several million dollars a year.

Since international demand for ornamental fish is growing, many of Singapore's traders and breeders are investing to expand and modernize their businesses.

With scientific assistance and access to several agrotechnology parks provided by the government's primary production department, the number of fish breeding farms is expected to double to 150 by 1995.

Mr. Tan said that at present only about 40 percent of the ornamental fish exported from Singapore are locally bred. The rest are imported, mainly from Indonesia, Malaysia, Thailand, China, Japan, the Philippines and Sri Lanka.

Being close to many of the source countries, and having an open economy and efficient communications and air transport, has enabled the island-state to become a one-stop supermarket for bulk buyers of exotic fish.

Packed in plastic bags with oxygen, the fish can survive for between 24 hours and 48 hours, depending on the species.

Hence the need for rapid and reliable international freight and customs clearance services. Singapore, a major air hub, has developed such services.

It has become "the ideal logistics center," John Mullen, chief executive of TNT Express Worldwide, a leading global express distribution company, said recently.

Mr. Tan's air freight agency handles many of the ornamental fish exports. He said that his investment in goldfish farming in China is to ensure the quality and reliability of his supplies.

High standards of breeding, stock checking and packaging for transport enable Singapore exporters to promise importers a fish mortality rate of under 2 percent.

To cut delivery costs, "we are constantly looking for improved methods to include more fish in a pack without increasing the mortality rate," said Patrick Chin, managing director of Sunbeam Aquarium.

While other Asian countries are competing with Singapore for more of the international market for exotic fish and can supply in bulk, they still lack variety, said Sia Hoy Chok, president of the Singapore Tropical Aquarium Fish Breeders' Association.

"And while they may enjoy lower costs, we have the edge in quality," he added.

Articles in this series appear every other Monday.

The sun also rises. All he ever dreamed of growing up in Detroit was managing his own machine shop. Then one day he came to The Valley. And he had a vision. He saw a future where the network, not the PC, would be king. The workstation its mighty servant. With iron discipline (and a bag full of hockey sticks) he set out to build a new empire. Today Sun Microsystems is a multibillion-dollar giant in Silicon Valley. And just minutes from the local ice rink. **Scott McNealy is just one of over 857,000 top American executives who read Forbes.**

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CAPITALIST TOOL

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"Eddie George
with the ch

file "the way," said

[illegible]

New International Bond Issues

Compiled by Laurence Desvillettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price and week	Terms
Floating Rate Notes						
Master Credit Card	\$900	2001	0.22	99.963	—	Over 1-month Libor. Maximum coupon 12%. Average life 5.09 years. Fees not disclosed. (Merrill Lynch Int'l)
Boyerische Landesbank für Aufbaufinanzierung	DM 200	1999	0.05	100	—	Below 6-month Libor. Noncallable. Fees 0.20%. (Frankfurt & Burthard)
DG Bank	DM 250	1999	0.05	100	—	Over 6-month Libor. Noncallable. Fees 0.20%. (DG Bank)
Fixed-Coupons						
General Electric Capital Corp.	\$250	1997	6 1/4	100.887	100.50	Reaffirmed at 99.70. Noncallable. Fees 1W%. (Goldman Sachs Int'l)
General Electric Capital Corp.	\$250	1999	6 1/4	99.49	—	Noncallable. Fees 0.25%. Denominations \$10,000. (Lehman Brothers Int'l)
Grand Metropolitan Investment	\$400	1999	7	100.294	99.00	Reaffirmed at 98.744. Noncallable. Fees 1W%. (Goldman Sachs Int'l)
Japan Finance Corp. for Municipal Enterprises	\$300	2004	7 1/4	99.85	100.00	Noncallable. Fees 0.325%. (JFI Int'l)
SBC Finance	\$250	1997	6 1/4	100.887	100.60	Reaffirmed at 99.70. Noncallable. Fees 1W%. (Swiss Bank Corp.)
Crédit Local de France	€150	2004	8 1/4	99.82	—	Noncallable. Fees 0.325%. (Paribas Capital Markets)
Eurofima	FF 1,000	2004	6 1/4	99.26	—	Noncallable. Fees 0.325%. (Crédit Commercial de France)
Firland	FF 6,000	2004	7	98.608	—	Noncallable. Fees 0.325%. (Paribas Capital Markets)
Spain	FF 6,000	2001	6 1/4	98.69	99.50	Noncallable. Fees 0.30%. (Crédit Lyonnais)
Bank of Austria	€150,000	2004	9 1/4	101	99.40	Convertible in 1999 into a floating-rate note paying 0.10 over 6-month Libor. Fees 2%. (Banca Commerciale Italiana)
Barclays Bank	€150,000	2004	9 1/4	101.05	98.60	Convertible in 1998 into a floating-rate note paying 0.40 over 6-month Libor. Fees 2%. (Banca di Roma)
Eurofima	€150,000	2004	9 1/4	101.14	99.40	Convertible at par from 2001. Fees 1W%. (Istituto Bancario San Paolo di Torino)
European Investment Bank	€200,000	2004	9 1/4	100.325	99.50	Callable at par in 1999. Fungible with outstanding issue, raising total to \$50 billion. Fees 1W%. (Banca di Roma)
MeesPierson	€250	1999	6 1/4	100%	100.00	Noncallable. Fees 1%. (MeesPierson)
SNS Group	€250	2001	6 1/4	99%	98.50	Reaffirmed at 98.80. Noncallable. Fees 1%. (SNS Bank)
Crédit Local de France	€250	1998	6	98.20	—	Noncallable. Fungible with outstanding issue, raising total amount to 300 million Euros. Fees 0.20%. (Swiss Bank Corp.)
General Electric Capital Corp.	€250	1999	6 1/4	97.70	97.80	Noncallable. Fungible with outstanding issue, raising total amount to 200 million Euros. Fees 0.25%. (Crédit Commercial de France)
De Nationale Investerings Bank	€20,000	2002	4	100.20	—	Noncallable. Fees 0.30%. Denominations 10 million yen. (Nikko Europe)
LB Rheinland Pfalz	€15,000	1997	3.10	100	—	Noncallable. Fees 0.1875%. Denominations 100 million yen. (JFI Int'l)
Mitsui & Company	€10,000	1999	4	101%	—	Noncallable private placement. Fees not disclosed. Denominations 100 million yen. (Sumitomo Finance Int'l)
SBAB	€10,000	1997	3	100%	—	Noncallable. Fees 0.1875%. Denominations 10 million yen. (Morgan Stanley Int'l)
Sweden	€80,000	1999	zero	83.65	—	Noncallable. Fees 0.45%. (Deutsche Europa)
Swedish Export Credit	€10,000	1997	2.70	100	—	Interest will be 2.70% until May 1995, when issue is callable at par, and 3.35% thereafter. Fees not disclosed. (Morgan Stanley Int'l)
Swedish Export Credit	€35,000	1997	3 1/4	99.98	—	Noncallable. Fees 0.1875%. (JTCB Int'l)
Treasury Corp. of Victoria	€35,000	1997	3	100	—	Semiannually. Noncallable. Fees 0.1875%. Denominations 10 million yen. (Nikko Int'l)
Urban Mortgage Bank of Sweden	€20,000	1996	2.90	100.20	—	Noncallable. Fees 0.20%. Increased from 15 billion yen. (Merrill Lynch Int'l)
WestLB Finance	€20,000	2001	4	100.175	—	Noncallable. Fees 0.30%. (Santato Int'l)
Equity-Linked						
United Microelectronics	\$160	2004	open	100	—	Coupon indicated at 1% to 1W%. Noncallable. Convertible at an expected 5 to 10% premium. Fees 2W%. Terms to be set May 23. (Barclays de Zotte Wedt.)
Bank of Austria	DM 250	2001	3 1/4	100%	—	Noncallable. Each 1,000-mark note with six warrants exercisable until 1999 into company's shares at 1,020 Austrian schillings per share and at 7,0345 schillings per mark. Fees 2W%. (Morgan Stanley)

MARK: Questions Linger Over U.S. and German Rates

Continued from Page 9

can be confident that the yen's appreciation is completed and that it's safe to buy U.S. assets.

Paul Chertkow, a London-based analyst at Union Bank of Switzerland, predicted Washington would intervene in the foreign-exchange market this week in an effort to buoy the bond market and "to prevent the decay of the dollar from becoming a crisis of confidence."

Mr. Chertkow insisted that "the pressure on the dollar is the result of short-term speculative positions of a technical character, not the product of asset-allocation decisions by institutional investors in light of change in economic fundamentals."

But Neil MacKinnon, a London-based analyst for Citibank, was less sanguine. He said he saw heavy

dollar-selling by U.S. funds as investors begin "to re-rate the prospects for the German economy and the Deutsche mark." But he agreed with Mr. Chertkow that "intervention could be forthcoming."

As the dollar-yen rate is key to what the Japanese do, the relative stability of the rate last week was a striking contrast to the dollar's weakness against the mark. Part of that was probably due to the Bank of Japan, which is estimated to have spent about \$80 billion on intervention so far this year.

But the movement of the yen-mark rate appeared to indicate that Japanese investors were buying dollars in Tokyo—helping to stabilize that rate—and selling them for marks in Frankfurt.

It is unclear what they are doing with the purchased marks. Short-

term German interest rates provide a hefty differential of three percentage points annually over levels in Japan.

Clearly, the Japanese are also buying yen Eurobonds, which provide investors with a substantial pick-up in yields over domestic government paper and provide issuers with floating-rate funding costs about 20 basis points below dollar interbank offered rates.

Issuance of Euroyen has been running at the equivalent of about \$2 billion a week this month.

Although issuing activity picked up in most other Eurobond sectors last week, bankers reported that demand was barely keeping pace, as investors are not yet convinced that a sustained rally in prices is in the offing.

Markets Caught in U.K. Crossfire

LONDON — Britain's top economic policymakers are engaged in an unprecedented war of words over the future direction of interest rates, sending shivers through London financial markets.

The chancellor of the Exchequer, Kenneth Clarke, and the governor of the Bank of England, Eddie George, have tried to play down the rift, but economists say the two are heading for a showdown over who runs the British economy.

Reduced to its simplest terms, their dispute is that Mr. Clarke wants to cut interest rates, while Mr. George is determined not to. "Eddie George is taking issue with the chancellor in a high-profile way," said John Sheppard, chief economist at Yamaichi International Europe in London. "He is raising the stakes and saying, 'I will oppose you on this one.'"

Mr. Clarke, who has never hidden his ambition to succeed Prime Minister John Major, is frustrated that two full years of economic recovery have failed to lift the governing Conservative Party from its weakest showing in opinion polls in 15 years.

Despite his own protests that he would not engineer an artificial boom, economists say Mr. Clarke's gut political instinct is to cut rates and generate a vote-winning "feel-good factor."

Mr. George, whose nickname of "Steady Eddie" is built around jokes that he has opposed every interest-rate cut since he came to work at the central bank in 1962, has lost no opportunity in recent weeks to spell out his fear that a rate cut would spark inflation.

At the moment, economists say Mr. George, with his aggressive campaign, seems to be winning the argument. Mr. Clarke, they say, ap-

pears unlikely to be able to cut rates soon without risking the Treasury's credibility.

Financial markets already have the jitters. The pound is vulnerable to every nuance in Mr. Clarke's or Mr. George's comments, and while government bond markets have fallen worldwide this year, prices in Britain have fallen far more than elsewhere.

There is more at stake than the level of interest rates needed to sustain recovery. The argument is essentially about power.

The constitutional position is clear: The Treasury decides on the level of interest rates, and the bank gives advice and carries out the Treasury's instructions.

But in reality, in the year of its 300th anniversary, the Bank of England has more influence than at any time since its nationalization in 1946.

Over the past few months, the Treasury has sought to counter allegations that it manipulates interest rates for political gain and has yielded a number of important powers to the bank.

While Mr. Clarke has the final say on interest rates, the bank can now decide on the timing of a move. In addition, its quarterly report on the outlook for inflation is no longer subject to review by Treasury officials.

In April, the Treasury started to publish minutes of monthly meetings at which Mr. Clarke and Mr. George review rates.

Mr. Clarke has declined to grant the Bank of England full independence, a much-coveted status held by its German counterpart, the Bundesbank. But economists say the bank is now flexing its muscles and out to prove it is better qualified to set interest rates than the Treasury.

Friction between governors of

the Bank of England and Britain's political leaders is not new. Margaret Thatcher, when she was prime minister, clashed with Mr. George's two predecessors, Lord Richardson and Robin Leigh-Pemberton, in the 1980s.

The Clarke-George dispute, while more good-natured and based on mutual respect, has seen a series of tit-for-tat exchanges.

• April 13: The first batch of minutes from their meetings confirmed what markets had suspected. A cut in interest rates in February was a classic compromise. Mr. Clarke wanted half a point, Mr. George wanted no cut, so Mr. Clarke ordered a quarter-point cut. "I did not lose the argument, I lost the decision," Mr. George said later.

• May 10: The bank's inflation report pointedly stated that the fall in the government bond market "suggested revised perceptions of the authorities' commitment to monetary stability."

• May 17: Mr. Clarke protested in a speech that "Eddie George and I share the same aim of low inflation and sound money." But minutes later he said: "Central bank governors always advise caution. So far they have been overestimating inflation during my chancellorship for as long as I have been in office."

• May 18: The next minutes showed Mr. George ready to contemplate a rate cut only if there was "hard evidence" of a slowdown in the economy. Mr. Clarke said waiting for "cast-iron evidence" could risk too long a delay.

The Treasury has shown no sign it is ready to grant the bank full independence. But it is clear where the markets' sympathies lie. "George is winning the argument," Mr. Sheppard said.

Buy Beans, Not Bonds, Say the Bears

New York Times Service

NEW YORK — Has the Fed finally gotten through to the bond market?

After the Federal Reserve Board's fourth interest rate increase in four months, designed to slow growth before it triggers a new outburst of inflation, the bond market finally rallied a bit last week, bringing down long-term interest rates and at least momentarily boosting the value of bonds across the board.

For a while it seemed that nothing short of grinding the entire U.S. economy to a halt would assuage bond traders that inflation, which is still no where to be seen, was not going to roar down Wall Street.

All of this left some wondering: Is what the bond market really needs a psychiatrist? Is it Freud, not Fed Chairman Alan Greenspan, who holds the key to lower interest rates?

Despite the bond market's setting down a bit last week, there was still gloom and doom abounding on the trading floors. Having pocketed the Fed's latest move, traders worried about the continuing weak dollar, which was keeping a lot of foreign money from coming into the bond markets.

Traders were also warning that if the next round of employment statistics, due out in two weeks, were too robust, and if the dollar continued to slide, the drumbeat for more rate increases by the Fed would begin again on Wall Street.

But something else is going on here besides Econ 101. Henry Kaufman, the veteran market analyst, thinks that the nervousness, and the seeming gap between the performance of the economy and the behavior of credit markets today, has to do in part with structural changes that have made financial institutions and markets much more oriented toward near-term developments, much more able and willing to trade on a whim or a worry, and much more easily buffeted by economic and noneconomic winds of change.

He pointed to the fact that there are now many more marketable credit instruments available for trade and many huge institutional groups that have to record their performance each day—meaning that if they buy a bond in the morning and it loses value during the afternoon, they have to acknowledge that unrealized loss in their portfolio statements, giving them a strong incentive to quickly unload losers.

Add to that, said Mr. Kaufman, the number of new high-octane portfolio managers operating with huge leveraged positions, a global market place that allows managers to move funds at breakneck speed in search of the highest yields, and CNN issuing good news and bad every 30 minutes, and you have a long-term prescription for short-term jitters.

If all that doesn't make you nervous, cast a glance over at the Commodity Research Bureau

index, which has been edging steadily higher since the first of the year, as the price of many base metals, soybeans, cocoa and coffee have all marched upward, due to spot shortages and increasing demand.

For many bond traders, the index is a leading indicator of inflation and a favorite source of anxiety when they run out of other things. Which brings us to the real lesson of the week: buy beans, not bonds.

Toward the end of last week, the market was focused in particular on the dollar's sharp drop against the Deutsche mark amid signs that the Bundesbank had little intention of lowering interest rates again soon. Despite the Fed's move this week to push up rates by half a percentage point, German rates remain up to a point higher.

The bond market has also begun to register concerns about big auctions of Treasury bills and notes this week, said James Hale, a fixed-income analyst for MMS International, a Wall Street research and analysis firm. "One of the reasons the market is particularly nervous is its memory of the May 11 auction of 10-year notes, one of the worst auctions in a long time," said Mr. Hale.

The price of the benchmark 30-year Treasury bond posted a solid gain in the course of last week, rising to 87 1/2 on Friday from 85 10/32 a week before. That reduced its yield to 7.31 percent from 7.49 percent.

Macy Gets a Respite in Takeover Battle

By Stephanie Strom

New York Times Service

NEW YORK — R.H. Macy & Co. appears to have won the upper hand, at least temporarily, in its battle to emerge from bankruptcy protection as an independent company—and \$10 million worth of gift certificates may have helped give it the advantage.

U.S. Bankruptcy Judge Burton Lifland, who is shepherding Macy through the proceedings, asked the retailer Friday to file a plan of reorganization as soon as possible, giving the company at least a brief respite in its efforts to fend off an unwanted merger with Federated Department Stores Inc.

The order essentially reconfirmed that Macy, at least for now,

has the exclusive right to propose a plan of reorganization.

The judge made his decision after Cyrus R. Vance, the court-appointed mediator in the case, reported Thursday that his efforts to forge a consensus among Macy's creditors in support of a single plan had reached an impasse.

Although Macy has failed to win the support of its senior creditors, it has won over its bondholders in the last two days with a package of goodies including stock, warrants and even Macy's gift certificates—a novel bargaining chip in bankruptcy.

Federated has gained the allegiance of Macy's senior creditors but failed to entice bondholders.

Some creditors said the judge's decision and the bondholders' surprise allegiance gave the company at least some advantage over Federated, which has been seeking a merger with Macy since January.

But others speculated that the judge might be trying to pressure Federated, which has succeeded in winning the support of Macy's influential senior creditors, to improve its proposal enough to win over junior creditors.

[Dillard Department Stores Inc. said Saturday it was interested in acquiring some of Macy's assets. Reuters reported from Little Rock, Arkansas.

"I can only tell you there are parts of Macy's we would like to

talk about if it's ever available," said William Dillard, chairman and chief executive, adding that the Macy properties most attractive to Dillard's were in his company's existing market territory, primarily the southern United States.]

In February, Mr. Lifland extended to Aug. 1 the period during which Macy has the exclusive right to propose a plan of reorganization. "Regardless of what came out of the mediation process, Macy has exclusivity until August," said one lawyer familiar with the case.

Although the new judicial order simply reconfirmed Macy's right to exclusivity, creditors were surprised because Federated's latest counterproposal places a higher value on the company.

Fed Hawks Make Push On Rates

By Keith Bradsher

New York Times Service

WASHINGTON — Some of the Federal Reserve System's top officials repeatedly pressed their colleagues this spring to raise interest rates faster than the central bank chose to do, according to summaries released Friday of their March meeting and a telephone conference call in April.

The disagreements show how strongly the Fed was committed this spring to higher interest rates, Wall Street economists said.

"Insofar as there's division at the Fed, there are more people wanting a more aggressive stance than a less aggressive one," said Marc W. Wanshel, an economist at J.P. Morgan.

Two of the 10 active members of the interest-rate-policy panel — J. Alfred Broadbent Jr., the president of the Federal Reserve Bank of Richmond, and Jerry L. Jordan, the president of the Cleveland Fed — dissented at a meeting of the Federal Open Market Committee on March 22 from the decision to push up a short-term interest rate by a quarter percentage point, feeling that a bigger increase was needed.

The FOMC groups the seven Fed governors and five of the 12 regional Fed presidents. The committee has raised rates four times this year, most recently by a half point on Tuesday. It approved increases of a quarter point on Feb. 4, March 22 and April 18.

On April 18, some members of the committee argued unsuccessfully for raising two short-term interest rates that the Fed controls instead of just one.

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Southwest Bell Ignites Phone-Sibling Rivalry

Compiled by Our Staff From Dispatches

WASHINGTON — Southwest Bell Corp. said Saturday it has applied to use cable television lines to compete with Bell Atlantic Corp. in providing phone service to 320,000 residential customers, touching off the first turf war between Baby Bells.

"We intend to target and focus on every residence in Montgomery County, a Maryland suburb of Washington," said Mike Gilliam, president of SBC Media Ventures, the cable subsidiary of Southwest Bell.

"We're really excited," he said. "For the first time we'll offer the residential customer choice with competition — you get lower prices and better services."

Although the move was the first among the Baby Bells, it followed by several days a Tuesday agreement for competitive service in Rochester, New York. Rochester Telephone Corp., which is not one of the seven regional phone companies created by the 1994 breakup of the old American Telephone & Telegraph Co., agreed to allow Time Warner Inc. to compete with it in its home city.

In that case, state regulators signed off on a preliminary agreement. However, the Maryland regulators have yet to consider the application.

"That was a joint announcement," said Mr. Gilliam. "This is a singular announcement that we intend to get into the phone business" in southern Maryland.

Southwestern Bell's cable subsidiary already passes 99 percent of the homes in the area it hopes to serve and Mr. Gilliam said people would be able to purchase cable service, telephone service or both.

Southwestern Bell plans to build a fiber-optic backbone that would parallel its coaxial cable, the kind of line used to carry cable television. Each fiber would terminate at a node that would connect to 500 homes through coaxial cable. A box at each customer's home would split the signals between telephone and cable, with no outside power.

"The technology does not exist today," Mr. Gilliam said. However, he said manufacturers of telephone equipment would be invited to bid on manufacturing the equipment.

The company plans to spend \$100 million to install switching equipment so the cable system can provide telephone service by late next year. A spokesman said pricing will be competitive with Bell Atlantic's regulated rates.

Southwestern Bell purchased a Montgomery County cable television operator earlier this year.

A federal law now prevents the Baby Bells from operating cable TV service in the same places they have local phone operations. But that law was successfully challenged in federal court by Bell Atlantic last year. Southwestern Bell and the five other Baby Bell companies have launched similar court challenges.

Federal permission is not needed for Southwestern Bell to make the change to its Maryland cable system since the San Antonio-based company operates local phone service only in Texas, Oklahoma, Kansas, Arkansas and Missouri.

Southwestern Bell bought cable systems in suburban Washington partly to demonstrate to federal lawmakers and regulators the direction telecommunication systems are going.

(Reuters, AP)

WORLD STOCKS IN REVIEW

By Agence France-Presse

Amsterdam

Prices edged higher last week, with the EOE index rising to 412.77 from 411.58, but trading was light and investors shied away from several big exporters likely to be hurt by the persistent weakness of the U.S. dollar.

Among the international shares, the Akzo Nobel chemical company fell to 212.70 guilders from 215.10, while Royal Dutch dropped to 201 from 207.90.

Philips Electronics fell half a guilder to 53.30, while Unilever slipped 1.80 guilder to 193.70 after having fallen below 200 a week earlier.

Hoogovens, the steelmaker, fell to 73.30 from 76.20, hurt by the apparent collapse of the European Commission's plan to trim excess steel capacity in Europe.

Frankfurt

The DAX 30 index slipped 0.01 percent to 2,249.65 points last week after starting out at a record high of 2,271.11 points.

Banking house West LB said neither the cut in Germany's key interest rates nor the increase in U.S. rates and the corresponding rise in German bonds had supported the stock market's peak, and the lack of confidence caused profit-taking.

Commerzbank, however, predicted the market would bounce back this week, with chemicals, machinery and steel benefiting from perceptions of a recovery in the industrial sector of the economy.

Hong Kong

Overseas investors, optimistic about an easing in political tensions, pushed the Hang Seng index up by more than 5 percent, to 9,631.63.

Average daily volume rose to 6.96 billion Hong Kong dollars from 4.99 billion.

The market's sentiment was boosted by optimism that Britain and China might soon reach an agreement on the financing of the controversial multi-billion dollar new airport for Hong Kong. The issue has been used by Beijing as a test of its influence over the colony it is to recover from Britain in 1997.

London

Positive economic news pushed prices higher last week. The Financial Times-Stock Exchange 100-stock index rose 8.1 points, or 0.2 percent, to 3,127.3.

The market strengthened after the Federal Reserve Board pushed U.S. interest rates higher at the beginning of the week. A batch of British economic statistics then encouraged the market: Retail sales rose 0.4 percent in April and 4.4 percent over the year, while unemployment fell to a two-year low of 2.68 million people, down by 36,800.

A weak rise in the M-4 measure of the money supply, which was up just 0.1 percent in April, and a record low for underlying inflation at 2.3 percent last month also boosted sentiment.

Among active stocks, Eurotunnel, whose Channel Tunnel opened to freight business Thursday, dropped 57 pence to 375, affected by worries about its forthcoming rights issue.

British Telecom rose 16.5 pence to 387 after announcing a 40 percent rise in pretax profits.

Milan

Profit-taking sent the Milan market's Mibtel index down 3.64 percent, to 12,364 points, last week after the government of Silvio Berlusconi was finally installed and

approved by the senate and chamber of deputies.

Dealers said they expected the markets to continue to fall this week before eventually recovering as Italian and international investors return.

In the banking sector, Comit fell by 3.58 percent and Credito Italiano lost 7.13 percent. The insurer Generali lost 2.23 percent.

Paris

Stock prices fell last week, depressed by the rise in U.S. short-term rates, the sagging bond markets and the weakness of the dollar.

The CAC-40 index dropped 1.5 percent, to 2,155.43, as dealers questioned the solidity of the European economic recovery and overseas investors spurned the market in favor of London and Frankfurt.

Analysts said the market's fall was surprising given a rash of good economic figures from the INSEE economics institute and the OECD predicting sound growth this year.

Medium-value shares held their ground better than the international, continuing a trend started over a year ago.

Lagardere and Eurotunnel fell. Pernod-Ricard lost ground sharply Thursday after Patrick Ricard, the company's president, issued a pessimistic outlook.

Singapore

Sharp economic growth pushed prices higher last week, with the key Straits Times Industrials index jumping 50.89 points, to 2,337.01. The broader SSES All-Singapore index, firming 8.15 points to 574.88 points.

Volume was light, but sentiment improved on reports Monday that the Singapore economy had achieved an 11 percent growth in the first quarter of 1994.

Tokyo

Prices were mixed in cautious trading on the Tokyo Stock Exchange last week, with market players watching U.S. interest rates and the dollar-yen exchange rate.

The Nikkei Stock Average of 225 selected issues gained 71.42 points, or 0.35 percent, to 20,342.17 points. It rose 408.28 points the previous week.

The broader Tokyo Stock Price Index, however, slipped 0.66 points, to 1,642.54, following last week's gain of 27.51 points.

Dealers were worried by the rise in U.S. rates but cheered by Washington's conciliatory statements on trade relations with Japan, spurring the hope that the yen may fall against the dollar, brokers said. This would aid Japanese exporters.

Sony, which reported a 10 percent group profit rise this week, gained 40 yen to 5,930 yen. Matsushita Electric Industrial rose 10 yen to 1,720 yen despite a sharp 24 percent group profit decline.

Zurich

The Zurich stock market rose last week in active trading with the Swiss Performance Index gaining 33.61 points, or 1.9 percent, to 1,788.43 points.

Analysis said the market was excited by the U.S. rise in interest rates and the expiry of contracts on the Soffex market Friday. Overseas institutions had invested heavily in the market, they said.

Banks ended higher last week with UBS up 60 Swiss francs to 1,174 and CS Holding up 17 to 620.

China Shuts 4 Financial Journals

Agence France-Presse

BEIJING — Chinese authorities have closed four stock market-related journals in Shanghai for operating illegally, an official of the Shanghai Press and Publications Office said over the weekend.

The official said Shanghai Stock Exchange Information, Shanghai Stock Exchange News, Shanghai Stock Exchange Press and Caitiong weekly had been fined and closed down recently, but he gave few other details.

"The main reason that they were banned is that these newspapers did not register with the authorities — that means they were illegal publications," the spokesman said.

The China Daily said Saturday that inspectors raided a publishing house in Shanghai and confiscated 100,000 copies of the three daily newspapers and 7,000 copies of the weekly.

It said that illegal financial publications had mushroomed since Shanghai opened its stock exchange, spreading false information and causing disorder at the exchange.

The clampdown comes as the frenzied demand that recently fueled the markets gives way to low volume and fears of a slump. The Shanghai exchange opened in 1990 and Shenzhen in 1991.

WLR Claims Success In Fending Off Tyson

Bloomberg Business News

BROADWAY, Virginia — WLR Foods Inc. said over the weekend that it successfully repelled Tyson Foods Inc.'s efforts to get voting rights for shares acquired in its hostile \$30-a-share tender for the poultry-processing company.

Tyson, acknowledging the defeat, claimed the contest was not conducted fairly and said it would press a lawsuit over WLR's efforts to fend off a takeover with a stockholder rights plan.

WLR held a special shareholders' meeting on Saturday to vote on Tyson's proposal to obtain voting rights for shares acquired in its \$328 million hostile bid. Virginia law prevents Tyson from voting its WLR shares unless outside holders of the stock approve. Results of the vote, tallied by an independent inspector, are expected in a few days, WLR said.

"Our preliminary tabulation of management's proxies indicates broad support of WLR shareholders against the Tyson proposal, which appears soundly defeated," James Keeler, WLR president and chief executive, said. "We now call upon Don Tyson to live up to his promise to go away if he loses the vote and look forward to the immediate termination of his inadequate tender offer."

Tyson, however, said its review of the vote indicated that the results would have been different if "votes of only the truly independent shareholders" had been counted.

Tyson said it remained interested in negotiating with WLR. It launched its takeover attempt after the WLR board rejected its offer in early February as inadequate. WLR wants to remain independent to reap the rewards of a recent restructuring.

SHORT COVER

Bosch to Cut a Further 7,000 Jobs This Year, Mainly in German Plants

FRANKFURT (Combined Dispatches) — The German electronics company Robert Bosch GmbH said it will cut 7,000 jobs this year, mainly in its 94,000-strong German work force, German newspapers reported Sunday.

Chief Executive Hermann Scholl first made the comments to a local newspaper in the company's home town of Stuttgart. The latest cuts mean Bosch will have eliminated one in five jobs in its German operations in four years.

In the 1993 business year, the company shed 13,300 jobs worldwide, reducing the number of its employees to 156,500. Last year, a 6 percent drop in sales left Bosch with a 1993 operating loss, although it has not said how large this was.

(Bloomberg, Reuters)

Li Ka-shing Targets London Firm

LONDON (Bloomberg) — The Hong Kong billionaire Li Ka-shing has had discussions with Stuart Lipton, chief executive of Stanhope Properties PLC, about buying Stanhope's 50 percent stake in London's Broadgate office-development company, the Sunday Times reported.

Mr. Li is competing with British Land PLC, which is also trying to gain control of Broadgate after buying a 30 percent stake in Stanhope.

Mr. Li, who first tried to acquire Broadgate three years ago, is also considering buying the 50 percent Broadgate ownership of Stanhope's partner, Rosehaugh PLC, which is currently in receivership, the Times reported.

Eurotunnel Denies Share Discounts

LONDON (Bloomberg) — Eurotunnel PLC dismissed on Sunday as "pure speculation" newspaper reports that as much as a 44 percent discount to the current share price might be offered as part of its new fund-raising.

According to press reports, a lack of interest in Eurotunnel shares from investors could lead underwriters to offer the new shares at a discount of between 30 percent and 44 percent to the current price. Sarah Rogers, a Eurotunnel spokeswoman, said that those reports were "pure speculation."

"We may announce the details of our funding package some time next week," she added. Eurotunnel has until June 20 to unveil its package.

New Chief for German Union Group

BERLIN (Reuters) — The board of directors of Deutscher Gewerkschaftsbund, the umbrella organization for German unions, with a total of 10.3 million members, has nominated Dieter Schulte on Sunday as its new chief.

Mr. Schulte, 54, is a member of the board of the engineering union IG Metall. His nomination must be confirmed at the union congress in June. He would succeed the deceased Hans-Werner Meyer, 61, who died May 9 of a heart attack.

Following his nomination, Mr. Schulte said, "I would like to see the industrial unions and the public service unions jointly opposing the orgy of privatization and the destruction of public services."

U.S. and Japan Try to End Deadlock

WASHINGTON (WP) — U.S. and Japanese trade negotiators agreed Saturday to extend efforts to break a three-month deadlock in economic talks.

The U.S. team, led by Deputy Trade Representative Charlene Barshefsky, met briefly here Saturday for a third day with Japanese negotiators to consider Japanese proposals aimed at restarting the so-called framework talks, a market-opening effort initiated by President Bill Clinton last July.

Although the White House launched the framework negotiations with much fanfare, the initiative collapsed in February following a meeting between Mr. Clinton and Morihiro Hosokawa, then Japan's prime minister.



WWF World Wide Fund For Nature

(formerly World Wildlife Fund)

International Secretariat, 1196 Gland, Switzerland.

Outside the industrialised west, no-one has to be told to respect their elders. It's simply the way society is organised.

Which is why WWF - World Wide Fund for Nature tries to work with older people in the villages of the rainforests. With WWF's help, they learn to teach the younger members of their communities about conservation.

In Kafue Flats, Zambia, it's Chief Hamusonde (93).

Chief Bakary (78), is our man in Anjavimihavanana, northern Madagascar.

In Ban Klong Sai, Thailand, we invoke the Venerable Papasro Bhikkhu, seventy-three year old Chief Buddhist monk.

This isn't just expediency, it's how WWF believes conservation projects should be run.

Before you teach someone, we believe you have to learn from them.

We spend years visiting village after village, talking to the people, listening to them, living with them, understanding how they live their lives.

Only then are we able to gain the confidence of the village elders.

Once they realise we're on their side, our elderly converts promote conservation with a zeal that belies their years.

"Uncle" Prom (68), another of our Thai community leaders, tells us that he frequently gets scolded when he starts telling people in the market that they should leave the forests alone. But he gets results.

Uncle Prom and his fellow villagers recently managed to prevent a new logging concession, and set up a community forest where tree felling is now forbidden.

Ninety-three year old Chief Hamusonde also makes things happen.

Income from the Kafue Flats game reserve in Zambia is funding a school, a clinic and new water boreholes for the local villages.

In Madagascar, seventy-eight year old Chief Bakary's village makes a profit by selling fruit grown in their new tree nursery.

More importantly, Chief Bakary's village now takes fewer trees from the rainforest because the nursery can provide firewood and poles for construction.

Not that we don't believe in catching them while they're young. WWF also organises special training courses to help teachers incorporate conservation into the curriculum.

20,000 primary teachers in Madagascar have already taken part.

And WWF produce teaching aids as well as teachers.

We commission educational factsheets, booklets, posters and videos in over twenty different languages.

These are distributed to schools and colleges all over the world.

If you can

help our work with a donation or a legacy please write to the membership officer at the address opposite.

You only have to look around you to see that the world still has an awful lot to learn about conservation.



HE'S JUST ABOUT OLD ENOUGH FOR OUR TEACHER TRAINING PROGRAMME.

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, May 20		Stocks	Div	Yld	Sales 100s	High	Low	Close	Chg
A		HF Inc	.50	2.2	63 1/2	23 1/4	22 1/4	23 1/4	-
B		HPSC	-	-	10 3/4	3 1/4	3 1/4	3 1/4	-

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Euromarts At a Glance

	Any 2002	1 Y	3 Y	5 Y
U.S., 10% term	7.50	7.50	7.40	7.40
U.S., 90% term	7.15	7.15	7.10	7.05
U.S., short term	6.40	6.35	6.30	6.25
Pounds sterling	6.25	6.25	6.20	6.15
French francs	5.75	5.75	5.65	5.60
German lire	5.50	5.45	5.40	5.35
Canadian franc	6.20	6.15	6.10	6.05
Swedish krona	6.35	6.40	6.40	6.40
ECU, long term	7.40	7.40	7.40	7.40
ECU, 90% term	7.15	7.15	7.10	7.05
ECU, 90% term	7.15	7.15	7.10	7.05
Yen	5.85	5.85	5.85	5.85
Aus \$	6.65	6.65	6.65	6.65
NZ\$	6.45	6.45	6.45	6.45
Yok.	5.15	5.15	5.15	5.15

Source: Luxembourg Stock Exchange

Weekly Sales May 19

Primary Market

	Codel		Bureau	
	\$	Unit	\$	Unit
Strapshots	14.50	454.36	221.88	3854.10
Convert.		8.28		74.06
FRNs			466.61	871.26
ECP	1,571.35	4,034.76	1,529.50	4,301.51
Total	4,558.76	5,511.39	7,329.99	7,581.93

Secondary Market

	Codel		Bureau	
	\$	Unit	\$	Unit
Strapshots	9,887.40	14,011.64	22,287.25	28,353.76
Convert.	499.58	422.99	1,222.48	1,367.88
FRNs	7,346.00	1,672.39	23,355.35	4,916.46
ECP	4,985.78	26,886.75	57,968.97	26,605.88
Total	24,318.76	42,993.77	64,834.05	42,739.98

Source: Eurusteel Credit

Liber Rates

1-month 3-month 6-month May 20

U.S.	45/16	49/16	47/16
Deutsche Mark	53/16	54	54
Pound sterling	53/16	54	54
French franc	51 1/16	50 1/16	50 1/16
ECU	64	6	55 1/16
Yen	23/16	23/16	25/16

Sources: *Lloyds Bank, Reuters.*

Key information

KEY REPORT

For investment information
Read THE MONEY REPORT
every Saturday in the IHT

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NETWORK

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Herald INTERNATIONAL **Tribune.**
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

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MONDAY
SPORTSDevils Battle Back
To Tie Series, 2-2

The Associated Press
If there's an attitude that has characterized the New Jersey Devils under Coach Jacques Lemaire, it's us-against-them.

They feel they get no respect from anyone and definitely no breaks from the National Hockey League.

Faced with a 2-1 deficit in the Eastern Conference final against the New York Rangers and the league's one-game suspension of

STANLEY CUP PLAYOFFS

center, Bernie Nicholls, the Devils reached inside and came up big Saturday in New Jersey.

Martin Brodeur stopped 20 shots and the fired-up Devils beat the Rangers, 3-1, behind goals by Stephane Richer, Bill Guerin and Valeri Zhelepukin.

The victory sent the best-of-seven series back to New York City's Madison Square Garden tied 2-2. Game 5 will be played Monday night.

"That's been this team all year long," said Ken Daneyko, a Devils defenseman. "We don't have two or three guys who can carry us for a game. We count on everyone."

And everyone came through for New Jersey in Game 4.

The performance was the Devils' best in the series and it came in a game in which they might have had a meltdown. Losing Game 3 in double overtime was bad enough, but having the NHL suspend Nicholls for cross-checking Alexei Kovalev of the Rangers made it worse.

But New Jersey dominated from the start, scoring two first-period goals to drive the Rangers goalie Mike Richter from the game.

The Devils played so well they had the Rangers' coach, Mike Keenan, scrambling all night. He shuffled his lines and benched several players, including the star defenseman Brian Leetch.

Leetch wasn't alone in sitting. Center Craig MacTavish and the wing Brian Noonan didn't play the second and third periods and the defenseman Jeff Beukeboom sat when Leetch sat.

The Rangers did get within 2-1 midway through the second period on a power-play goal by Stephane Matteau, who had the game-winning Thursday night.

However, Brodeur kept the

Rangers at bay the rest of the way, with his best stop coming on Steve Larmer early in the third period on a five-and-go with Adam Graves. Zhelepukin eventually put the game away with 6:42 to play after the Rangers' backup goalie, Glenn Healy, and the defenseman Alexander Karpovtsev had a miscommunication behind the net. Zhelepukin got the loose puck, came out and tucked it into an open net.

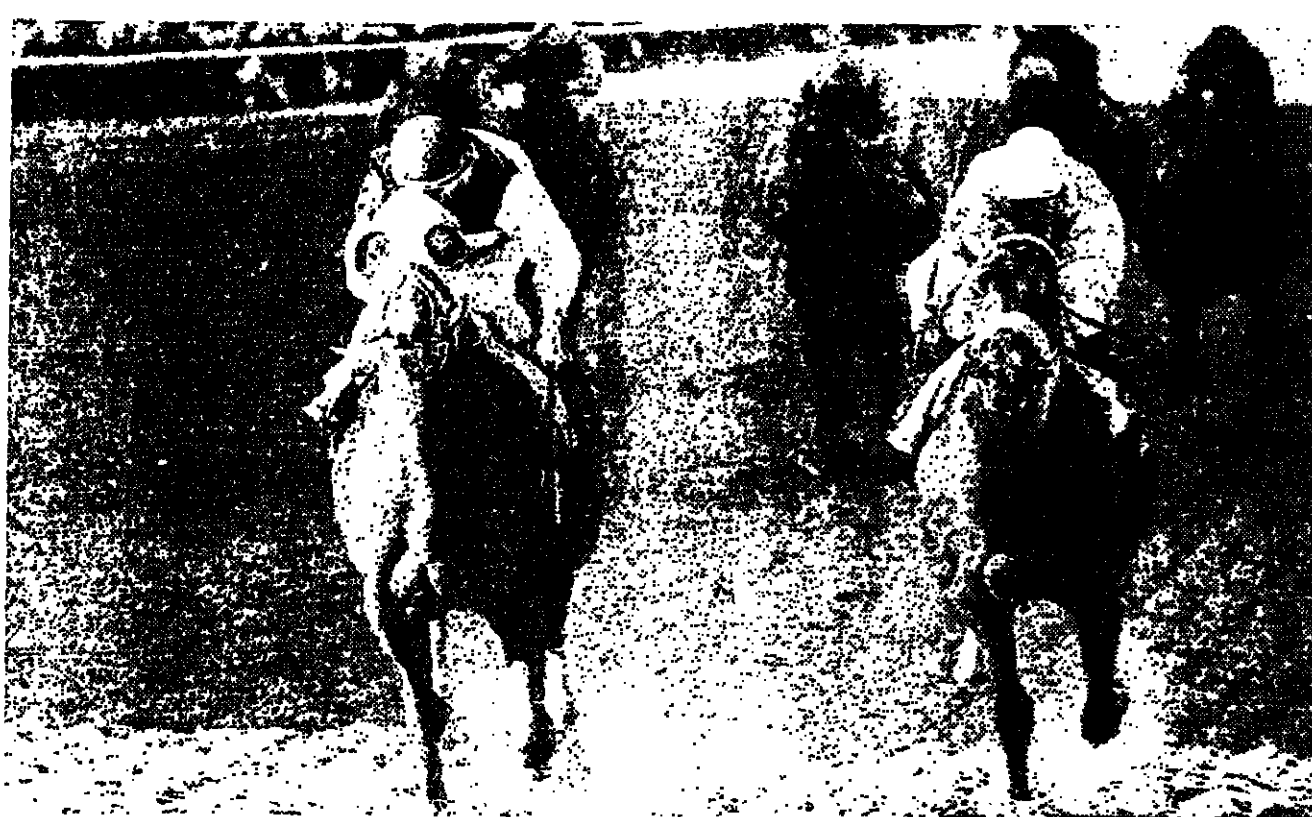
Matteau got the Rangers back into the game 6:47 into the second period by scoring in front on a power play off a setup by Mark Messier, who has at least one point in all 13 playoff games.

In Friday's game, Canucks 4, Maple Leafs 0: Pavel Bure scored twice for Vancouver at home, leading the Canucks to a 2-1 lead in the best-of-seven series against Toronto. Games 4 and 5 were to be played in Vancouver on Sunday and Tuesday.

The game deteriorated into an ugly brawl at 16:50 of the third period after a check by the Vancouver wing Tim Hunter on Doug Gilmour of the Leafs. Several fights broke out and the referee sent both teams to the dressing room after fans littered the ice with debris.

Tabasco Cat, left, crossing the finish line by less than a length ahead of Go for Gin, the favorite, after a stretch duel in the Preakness.

Tabasco Cat Outduels Go for Gin in Preakness Stakes



Tabasco Cat, left, crossing the finish line by less than a length ahead of Go for Gin, the favorite, after a stretch duel in the Preakness.

Derby Champion's Hopes
For Triple Crown Dashed

By Joseph Durso

New York Times Service

BALTIMORE — Go for Gin came to the end of his quest to sweep the Triple Crown when he was outtraced in a stirring stretch duel by Tabasco Cat, who won the 119th Preakness Stakes by three-quarters of a length and redeemed two and a half years of misfortune for his trainer, D. Wayne Lukas.

Lukas, the most successful trainer in the United States in the 1980s, not only thwarted Go for Gin but also rose from a series of personal and professional setbacks.

Until Tabasco Cat won the race Saturday to the wire, Lukas hadn't won a stakes since October of 1991. He became the target of criticism a year ago when his star colt, Union City, fractured an ankle in the Preakness and did not survive.

And in a scarring family accident in December, his son and deputy trainer, Jeff Lukas, was severely injured when Tabasco Cat broke loose in the barn area at Santa Anita.

But on this sunny day at Pimlico Race Course, the same colt outran Go for Gin, who in turn outran Concern by six lengths.

When the starting gate flew open, only one horse in the field of 10 had a chance to make it two in a row in the racing classics. But that horse was Go for Gin. But he still had to cope with the extreme odds dictated by racing history: Only 11 horses have swept the Triple Crown, none since Affirmed did it 16 years ago with the teenager Steve Cauthen small in the saddle and the great Ayler flying at their heels in all three races.

How extreme the odds? "You need an extraordinary horse," said Nick Zito, who trains Go for Gin, "and a lot of luck."

In the last four years, Zito has had both. He won the Kentucky Derby in 1991 with Strike the Gold and came back to win it again two weeks ago with Go for Gin. Then he headed into the Preakness saddling the favorite but admitting that his eyes were straying three weeks down the road to the Belmont Stakes, the third and final challenge on the road to the Triple Crown.

But win or lose in the Preakness, the colts going on to New York

knew they would be facing some of the best 3-year-old divisions who had skipped the Preakness in order to regroup.

The chief absentee Saturday was Holy Bull, who won several races wire-to-wire before running second in the mud of the Derby. Brocco, who won the Breeders' Cup Juvenile and the Santa Anita Derby and then ran fourth in the Kentucky Derby, who most mobbed Go for Gin home in the Preakness but then sat out the Preakness to rest his talent for closing in long races like the Belmont Stakes, at a mile and a half.

Zito also admitted that his campaign countdown to the Preakness had been disrupted when a television crew showed up at the Stakes barn at 3:30 A.M. Friday. The crew disassembled the security of the stable outside Stall 40, where Go for Gin was sleeping, turned on glaring spotlights and proceeded to take films of the horse.

"The security broke down," the trainer complained. "I won't let it happen again. But the horse was wide awake."

When Preakness Day dawned, more wooden barricades blocked the star's stall, and Go for Gin seemed calm enough. But he was Bud one horse in the race who might have wished for rain, since he had next run five times in mud and had won after three tries, including the Kentucky Derby. However, he didn't get rain: After a week of overcast skies, the sun broke through Saturday morning and began shining on the muddy and fast-track types alike.

So, the stage was set for a radically different environment than the rain and sleet that embroiled the Derby, when horses were crowded and jostled and only Go for Gin escaped with a front-running ride free of mud bog and traps.

And that was fine with Rene LaMarque, the high-spirited owner of Kandaly, the winner of the Louisiana Derby and an absolute enemy of rainy race tracks. In fact, the colt was scratched from the Derby about two hours before post time because of the rain. But on a sunny Preakness day, he pranced while LaMarque sang "The Kandaly Song" on camera for a never-ending series of television teams.

Klopas Shines as Not-So Stellar U.S. Falls to Bayern

By Steve Berkowitz

Washington Post Service

CLEVELAND — On the surface, the U.S. national soccer team's 3-2 loss to Bayern Munich at Cleveland Stadium looked bad.

A national team four weeks from its opening match in the World Cup finals is not supposed to lose to a professional club that is without six of its top players, even if the club did just win the German first division championship.

"If the U.S. plays like that, it will be very difficult for them," said Bayern Munich's coach, Klaus Augenthaler, whose team erased a 2-1 halftime deficit with goals in the 56th and 60th minutes Saturday. "But in the World Cup, they will play totally different. I think."

Still moving toward its World Cup form in terms of personnel and strategy, the U.S. squad certainly played differently

Saturday than it did in its other recent time-up matches.

Four foreign-based players — the defenders Cle Kocman and Brian Bliss and the forwards Eric Wynalda and Ernie Stewart — saw their first national team action this year. The Americans also switched from playing with four defenders, the alignment they have used so far this year, to playing with five.

One important aspect of the U.S. team's recent play remained constant, however. Goals by the forward Frank Klopas in the 21st and 32nd minutes gave the Americans leads of 1-0 and 2-1. They also gave Klopas at least one goal in five of the U.S. team's past six games and a total of six goals during that span.

"I've never had a streak like this," said Klopas, 27, who returned to the U.S. team in January after playing four seasons in the Greek first division.

"When I played in Europe, I played as an attacking midfielder and I was used to

scoring eight to 10 goals in a season," he added.

Klopas's career has been in doubt for most of the past two years. He tore the anterior cruciate ligament in his right knee and underwent reconstructive surgery in the summer of 1992. But the knee became infected. That destroyed the repair work and forced Klopas to have the surgery redone in July.

Klopas now appears on the verge of assuring himself a place on the U.S. team's 22-man World Cup roster, for which 25 players remain under consideration.

The Americans are down to three exhibition matches before their World Cup opener on June 18 against Switzerland. Two games remain before the U.S. team's coach, Bora Milutinovic, plans to announce his World Cup roster.

All of those matches will be against national teams that are in the 24-team World Cup field: Saudi Arabia on Wednesday in Piscataway, New Jersey;

Greece on Saturday in New Haven, Connecticut, and Mexico on June 4 in Pasadena, California.

Newcastle Signs U.S. Player

Brad Friedel, the starting goalkeeper for the 1992 U.S. Olympic team, agreed Saturday to a three-year contract with Newcastle of England's Premier League. The Associated Press reported from Cleveland.

Friedel, 27, will report to Newcastle following the World Cup. He has 24 appearances for the U.S. national team and is competing with Tony Meola to be the World Cup starter. The transfer fee was said to be more than \$500,000.

Newcastle, which finished third this season, already has two goalkeepers: Pavel Srnicek of the Czech Republic and Mike Hooper of England.

"There's a berth open, hopefully for him to take it," said Paul Suterford, a British agent who negotiated for Newcastle.

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, May 20.
(Continued)

Stocks Div Yld Sales High Low Chg Clse

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MONDAY SPORTS

Alive and Well in a Paris Cinema, Agassi Is Doing It His Way

By Robin Finn
New York Times Service

PARIS—The film was "House of the Spirits." The viewer was Andre Agassi, not a noted culture critic, and lately not even a particularly noted tennis player, despite his innate genius for the sport. Shouldn't he, with the French Open bookending Monday morning, be outside sweating on a clay court somewhere instead of lounging inside a cinema drinking in that singular process where life imitates art?

Not to worry, insisted the 19th-ranked Agassi, who, having journeyed there twice already, knows the route to the French Open final like the back of his hand. This, despite the fact that Agassi's first-round match in Paris—on center court Monday—is against Mats Wilander, a three-time French Open champ.

"A few times fear took over in the slam finals, which means you go out not believing you can do it, but hoping your opponent can't," Agassi said. "But I can't picture me not playing the best match of my life if I get to the French Open final. It's just a question of getting there."

And for Agassi, an unimpeachable 3-3 on clay this season, that's a major question.

This is, after all, a guy who compares himself with an lost library book when the issue of Grand Slam titles—he owns just one—is raised.

"I'm overdue," he said earlier this month in Las Vegas, Nevada, where the bulk of his preparation for his second-round loss on clay at last week's Italian Open consisted of an animated photo session for Nike on the suburban hardcourts.

His critics, and they remain legion, wonder whether Agassi, with his on-again, off-again relationship to tennis and his invariably high-decibel roller-coaster results, has run out of time.

But Agassi, who prefaced his campaign for the

1992 Wimbledon title with a visit to the grass court warm-up circuit, is nothing if not living proof that there are different ways of preparing to become a Grand Slam champion.

So—all thoughts of conventional practice conveniently tucked aside—there he was sitting in a darkened movie theater watching this somewhat supernatural tale of betrayal, repression and redemption unfold on the screen when he experienced just a flicker of recognition.

In the saga of strangely twinned spirits, a wife wounded to the quick by her dominating husband not only leaves him, but vows never to speak to him again. Then, 25 years later, the husband convinces her to return to him—their marriage bond is that strong—except she holds to her word and never converses with him again.

Insert Agassi, his hard-driving and driven father, Mike, and tennis into that picture, and the script behind the latest reincarnation of tennis's most charismatic star begins to take shape. Pushed and, to his mind, purified into excellence on a tennis court almost from the moment he learned to toddle, Agassi, at 24, thinks he has finally outgrown his resentment toward the factors—and family—that predetermined his success.

Tennis, like the film heroine's marriage, is an institution he can no longer do without: his only condition in returning to a vow to stop looking at family, friends and fans as a jury.

"A lot of the expectations surrounding me were self-concocted expectations," he said. "Nobody in my life was going to love me any less if I lost. But I felt I wasn't worth as much when I did. And

whenever I was in a match where I was losing, instead of building myself up toward a level where I was at least playing better at the end than I was when it started, I inevitably only got worse."

"I spent so much time beating myself up out there, I almost cheated myself out of the game," he added.

But now, says Agassi, he has returned to the game with an almost unspooled outlook on the sport he had previously viewed as detrimental to his personality. Sure, tennis brought him the opportunity to switch gears from his Bronx to his Bentley at the flick of a garage door, to point his private jet toward Los Angeles for a concert or to New York for a date with the actress Brody Shields on a whim, and to create a half-million-dollar charitable corporation, called Agassi Enterprises and name himself its chief executive officer.

But until this year, when he found himself on the rebound from wrist surgery and a breakup with his longtime companion, Wendy Stewart, the new Agassi had tended to view tennis as his own private cross to bear.

"First, I was playing for my dad, then for the people who told me I could be the best, and I started to resent it," he said, sounding much like the energetic convert to psychotherapy that he is. "The magnifying glass and everybody judging me, and I started to project that onto tennis. A lot of misdirected anger."

"The biggest mistake I ever made was being so good, so young," he said. "Because then all my mistakes after that were above forgiveness."

Agassi rose like a bullet to No. 3 in the world by reaching seven finals and claiming six titles at 18. But his biggest mistake, according to the tennis establishment, lay in his not taking the tennis establishment seriously enough.

"A lot of people want you to do it their way to

Graf Hopes Capriati Finds Direction

The Associated Press

PARIS—Steffi Graf said Sunday she hoped Jennifer Capriati's arrest would help the former teenage tennis star turn her life around.

On the eve of the French Open, Graf, the world's top-ranked woman player, spoke for the first time about Capriati's arrest last week on charges of marijuana possession and her admission to a substance abuse clinic in Miami.

"In a way I was upset and in a way I was sad," said Graf, who turned professional as a teenager and grew up in the media spotlight just as Capriati did. "Then I started thinking a bit more, and I thought it was hopefully not such a bad thing. Maybe it makes her look back on what she has done and what she has achieved and what direction she is going to go."

Graf, who was only 13 when she played in the French Open for the first time in 1983, was reluctant to apportion any blame for Capriati's troubles.

"I don't know how she grew up," she said. "I definitely don't want to put down the parents as much as people have been doing because they tried hard in the last couple of months to do the right things for her."

Graf questioned the merit of proposals to raise the minimum age for turning pro from 13 to 16 and downplayed the risks of burnout on the women's tour.

"I don't think it's that big of a problem," she said. "You can grow up and have problems. It doesn't really have anything to do with tennis. There are very few who have problems."

SCOREBOARD

Major League Standings

(Through Saturday)

AMERICAN LEAGUE

East Division

Team	W	L	Pct.	GB
New York	28	15	.652	—
Boston	22	21	.512	6 1/2
Baltimore	22	21	.512	6 1/2
Toronto	18	25	.419	10 1/2
Detroit	18	26	.408	11 1/2

Central Division

Team	W	L	Pct.	GB
Chicago	22	17	.565	—
Minnesota	22	19	.537	1 1/2
Cleveland	20	19	.513	2 1/2
Kansas City	20	20	.500	3 1/2
Milwaukee	17	24	.415	6 1/2

West Division

Team	W	L	Pct.	GB
California	20	24	.453	—
Texas	18	20	.476	2 1/2
Seattle	18	22	.449	4 1/2
Oakland	11	31	.262	9 1/2

NATIONAL LEAGUE

East Division

Team	W	L	Pct.	GB
Atlanta	26	14	.650	—
Montreal	22	18	.550	4 1/2
Florida	20	20	.500	6 1/2
New York	20	21	.486	6 1/2
Philadelphia	19	22	.462	8 1/2

Central Division

Team	W	L	Pct.	GB
Cincinnati	26	15	.634	—
St. Louis	22	18	.550	4 1/2
Houston	22	19	.537	5 1/2
Pittsburgh	19	21	.475	6 1/2
Chicago	16	24	.400	9 1/2

West Division

Team	W	L	Pct.	GB
Los Angeles	24	19	.558	—
San Francisco	21	21	.500	3 1/2
Colorado	17	23	.429	7 1/2
San Diego	17	23	.429	7 1/2

Friday's Line Scores

AMERICAN LEAGUE

Team	W	L	Pct.	GB
Cleveland	000	000	0.000	—
Toronto	000	000	0.000	—
Los Angeles	000	000	0.000	—
San Francisco	000	000	0.000	—
San Diego	000	000	0.000	—

NATIONAL LEAGUE

Team	W	L	Pct.	GB
Atlanta	000	000	0.000	—
Montreal	000	000	0.000	—
Florida	000	000	0.000	—
New York	000	000	0.000	—
Philadelphia	000	000	0.000	—

Friday's Line Scores

AMERICAN LEAGUE

Team	W	L	Pct.	GB
Cleveland	000	000	0.000	—
Toronto	000	000	0.000	—
Los Angeles	000	000	0.000	—
San Francisco	000	000	0.000	—
San Diego	000	000	0.000	—

NATIONAL LEAGUE

Team	W	L	Pct.	GB
Atlanta	000	000	0.000	—
Montreal	000	000	0.000	—
Florida	000	000	0.000	—
New York	000	000	0.000	—
Philadelphia	000	000	0.000	—

Friday's Line Scores

AMERICAN LEAGUE

Team	W	L	Pct.	GB
Cleveland	000	000	0.000	—
Toronto	000	000	0.000	—
Los Angeles	000	000	0.000	—
San Francisco	000	000	0.000	—
San Diego	000	000	0.000	—

NATIONAL LEAGUE

Team	W	L	Pct.	GB
Atlanta	000	000	0.000	—
Montreal	000	000	0.000	—
Florida	000	000	0.000	—
New York	000	000	0.000	—
Philadelphia	000	000	0.000	—

Friday's Line Scores

AMERICAN LEAGUE

Team	W	L	Pct.	GB
Cleveland	000	000	0.000	—
Toronto	000	000	0.000	—
Los Angeles	000	000	0.000	—
San Francisco	000	000	0.000	—
San Diego	000	000	0.000	—

NATIONAL LEAGUE

Team	W	L	Pct.	GB
Atlanta	000	000	0.000	—
Montreal	000	000	0.000	—
Florida	000	000	0.000	—
New York	000	000	0.000	—
Philadelphia	000	000	0.000	—

Friday's Line Scores

AMERICAN LEAGUE

Team	W	L	Pct.	GB
Cleveland	000	000	0.000	—
Toronto	000	000	0.000	—
Los Angeles	000	000	0.000	—
San Francisco	000	000	0.000	—
San Diego	000	000	0.000	—

NATIONAL LEAGUE

Team	W	L	Pct.	GB
Atlanta	000	000	0.000	—
Montreal	000	000	0.000	—
Florida	000	000	0.000	—
New York	000	000	0.000	—
Philadelphia	000	000	0.000	—

Friday's Line Scores

AMERICAN LEAGUE

Team	W	L	Pct.	GB
Cleveland	000	000	0.000	—
Toronto	000	000	0.000	—
Los Angeles	000	000	0.000	—
San Francisco	000	000	0.000	—
San Diego	000	000	0.000	—

NATIONAL LEAGUE

Team	W	L	Pct.	GB
Atlanta	000	000	0.000	—
Montreal	000	000	0.000	—
Florida	000	000	0.000	—
New York	000	000	0.000	—
Philadelphia	000	000	0.000	—

Friday's Line Scores

AMERICAN LEAGUE

Team	W	L	Pct.	GB
Cleveland	000	000	0.000	—
Toronto	000	000	0.000	—
Los Angeles	000	000	0.000	—
San Francisco	000	000	0.000	—
San Diego	000	000	0.000	—

NATIONAL LEAGUE

Team	W	L	Pct.	GB
Atlanta	000	000	0.000	—
Montreal	000	000	0.000	—
Florida	000	000	0.000	—
New York	000	000	0.000	—
Philadelphia	000	000	0.000	—

Friday's Line Scores

AMERICAN LEAGUE

Team	W	L	Pct.	GB
Cleveland	000	000	0.000	—
Toronto	000	000	0.000	—
Los Angeles	000	000	0.000	—
San Francisco	000	000	0.000	—
San Diego	000	000	0.000	—

NATIONAL LEAGUE

Team	W	L	Pct.	GB
Atlanta	000	000	0.000	—
Montreal	000	000	0.000	—
Florida	000	000	0.000	—
New York	000	000	0.000	—
Philadelphia	000	000	0.000	—

Friday's Line Scores

AMERICAN LEAGUE

Team	W	L	Pct.	GB
Cleveland	000	000	0.000	—
Toronto	000	000	0.000	—
Los Angeles	000	000	0.000	—
San Francisco	000	000	0.000	—
San Diego	000	000	0.000	—

NATIONAL LEAGUE

Team	W	L	Pct.	GB
Atlanta	000	000	0.000	—
Montreal	000	000	0.000	—
Florida	000	000	0.000	—
New York	000	000	0.000	—
Philadelphia	000	000	0.000	—

Friday's Line Scores

AMERICAN LEAGUE

Team	W	L	Pct.	GB
Cleveland	000	000	0.000	—
Toronto	000	000	0.000	—
Los Angeles	000	000	0.000	—
San Francisco	000	000	0.000	—
San Diego	000	000	0.000	—

NATIONAL LEAGUE

Team	W	L	Pct.	GB
Atlanta	000	000	0.000	—
Montreal	000	000	0.000	—
Florida	000	000	0.000	—
New York	000	000	0.000	—
Philadelphia	000	000	0.000	—

Friday's Line Scores

AMERICAN LEAGUE

Team</

Red Sox Stop Twins
As Clemens Holds
The Hits to Five

The Associated Press
Roger Clemens limited Minnesota to five hits in eight innings Sunday as the Boston Red Sox stopped the Twins' winning streak at seven games with a 9-2 victory.

Clemens, who has now allowed only eight earned runs in 61 innings over his past eight starts, walked four and struck out seven in handing the Twins their first home loss in 10 games.

Jim Deshaies allowed five runs, four earned, and eight hits over six

It was the fifth straight loss and 26th in 30 games for the A's, who are off to their worst start since coming to Oakland in 1968.

Jose DeLeon worked a scoreless eighth to pick up the win in relief of Wilson Alvarez. Bill Taylor took the loss.

Angels 3, Royals 0: In Anaheim, California, Phil Leftwich allowed four hits in 7½ innings as the Angels remained unbeaten under Marcel Lachemann.

The victory was the Angels' fourth straight and third in a row since Lachemann replaced Buck Rodgers as manager on Friday.

Mariners 13, Rangers 2: Ken Griffey Jr. hit his major-league-leading 19th homer and Luis Sojo hit his first career grand slam as Seattle pounded the visiting Rangers for the second straight game.

Jay Buhner, Tino Martinez and Eric Anthony also hit home runs for the Mariners, who increased their American League-leading home run total to 63 in 41 games. The Mariners also hit five home runs on Friday in a 19-2 rout of Texas.

AL ROUNDUP

innings. He struck out four and walked none.

Damon Berryhill, Andre Dawson and Mo Vaughn hit home runs for the Red Sox. Vaughn scored three runs. Berryhill's homer, his first, in the third made it 1-0, and the Red Sox added three runs in the fourth.

Vaughn, Mike Greenwell and Tim Lincecum hit singles to load the bases. Scott Cooper hit a two-run single and Carlos Rodriguez's run-scoring single made it 4-0.

Clemens retired nine of the first 10 Twins before Alex Cole opened the fourth with a triple and scored on Shane Mack's infield out. Dave Winfield's double scored Mack to bring the Twins to 4-2.

The Twins threatened in the fifth, loading the bases, but Clemens got Chuck Knoblauch to hit into a double play and struck out Shane Mack.

Boston made it 5-2 in the sixth when Greenwell doubled and scored when Deshaies erred on Dave McCarty's toss while covering first.

Dawson's two-run homer in the seventh made it 7-2.

Berryhill hit an RBI double in the eighth and Vaughn hit his 11th homer in the ninth.

Indians 8, Blue Jays 0: Dennis Martinez pitched a seven-hit shut-out as Cleveland snapped a seven-game road losing streak with a victory in Toronto.

Martinez struck out three and walked three for his first shutout this season and the 24th of his career. He allowed only two runners to reach second base.

Albert Belle homered and drove in two runs and Carlos Baerga added two RBIs for the Indians, who won their first road game since a May 6 win at Baltimore.

Juan Guzman allowed five runs and 11 hits in five innings, striking out three and walking one. In the second, Belle hit Guzman's 3-2 pitch over the fence in left for his 13th homer.

Tigers 9, Brewers 6: Travis Fryman drove in four runs and rookie Chris Gomez went 3-for-4 as Detroit sent Milwaukee to its 11th consecutive loss.

Fryman went 3-for-4 with a two-run homer and Gomez singled, doubled and hit his fifth home run in May as the Tigers won their sixth straight home game.

The Brewers' 11-game skid is the second longest in Milwaukee history and one shy of the club record set in 1987.

Ton Buehner gave up four runs and six hits in 5½ innings for his second straight win and first at home after starting the year 0-7. Mike Gardiner, Detroit's fifth pitcher, got the final out for his third save.

Cal Eldred allowed seven runs and 10 hits in dropping his third straight decision and fifth in his last six outings. He struck out eight in six innings.

In Saturday's games: Twins 1, Red Sox 6: Strong pitching by Kevin Tapani carried the Twins to victory over the visiting Boston Red Sox.

Tapani allowed seven hits in 8½ innings, walking three and striking out five.

Gar Finvold, in his second career outing, took a one-hitter into the fifth for Boston and held the Twins to five hits.

Yankees 5, Orioles 4: Bob Melvin hit his first home run of the year, a three-run shot that capped a five-run first inning, and the Yankees held on for their ninth straight home win.

New York has the best record in the majors at 28-12.

Rafael Palmeiro set an Orioles record by extending his hitting streak to 23 games.

Blue Jays 9, Indians 7: Paul Molitor hit two home runs, singled twice and drove in four as Toronto, after opening a seven-run lead, hung on to beat visiting Cleveland.

The Blue Jays took a 5-0 lead in the first against Chris Nabholz. Roberto Alomar and Nick Schofield had RBI doubles. Molitor and John Olerud hit RBI singles, and Danzell Coles hit a sacrifice fly.

Tigers 7, Brewers 6: Travis Fryman drove in three runs and Chad Kremer hit a home run out of Tiger Stadium, helping Detroit hand Milwaukee its 10th straight loss.

Milwaukee's losing streak is its longest since a club-record 12-game slump in May 1987.

Schott Issues
An Apology

The Associated Press
CINCINNATI — Marge Schott has apologized for her latest inflammatory remark.

The Cincinnati Reds owner said she didn't mean to offend anyone by saying "only fruits wear earrings." Her remark last week angered gay-rights activists. "Fruit" can be used as a derogative term for homosexuals.

Schott, banned last season by baseball's executive council for racial and ethnic slurs, tried to end her latest controversy on Friday by having team officials distribute an apology.

Phillies Rack Up the Homers for a Weekend Sweep of the Mets

The Associated Press
Lenny Dykstra, Pete Incaviglia and Darren Daulton each led off innings with home runs as the Philadelphia Phillies routed the New York Mets, 8-3, Sunday to sweep a three-game series.

Starter Tommy Greene allowed three runs on four hits and struck out six before leaving the game after six innings.

In finishing a 10-game home stand with an 8-2 mark, Philadelphia closed to within a half-game of

fourth-place New York in the National League East.

Philadelphia's Dave Hollins broke his left hand while sliding into first in the third inning and is expected to be out about six weeks.

Martino Duncan's three-run homer in the fifth off starter Pete Smith put the Phillies up 6-1 and gave Philadelphia a season-high four home runs in the game.

The Mets' Luis Rivera hit the game's fourth lead-off homer in the fourth, and New York added two runs in the sixth on Bobby Bonilla's two-run double off Bobby Munoz.

Dykstra's home run in the first put the Phillies up 1-0, and Incaviglia's shot in the second made it 2-0. It was the fifth home run of the season for both players.

Rivera cut the lead to 2-1 with his home run in the fourth, but Daulton got that run back when he led off the Phillies' fourth with his ninth home run of the season.

After Duncan's homer chased Smith and put the Phillies up 6-1, Tom Quinlan and Daulton hit back-to-back doubles to score Philadelphia's seventh run. Ricky Jordan's single in the seventh knocked home Quinlan for the Phillies' eighth run.

Expos 3, Pirates 2: Pedro Martinez outpitched and outduel Denny Neagle, tripping in three runs with the first hit of his major-league career to lead visiting Montreal past Pittsburgh.

Both pitchers got their first big-league hits — Martinez was 0-for-22 and Neagle was 0-for-40 — and Martinez overcame home runs by Andy Van Slyke and Tom Foley to deal Pittsburgh its eighth loss in 10 games.

Martinez seemed to lose his concentration as Van Slyke ended an 0-for-17 streak with his third home run, and Foley followed two batters later with his second. The two-homer inning was only the Pirates' second of the season but their second in as many games.

Cardinals 10, Marlins 9: Gregg Jefferies' two-run double capped a four-run ninth inning comeback that gave St. Louis a brawl-filled victory over Florida in Miami.

Florida hit a club-record three home runs in the second inning, triggering a bench-clearing brawl.

After Carl Everett and Rick Renteria homered, Jeff Conine hit the third homer of the inning off Allen Watson to put the Marlins ahead 7-2. Watson hit the next batter, Orestes Destrade, on the left shoulder with a pitch.

Destrade, who had a two-run double in the first inning, charged the mound. Watson threw his glove at Destrade's face, opening a cut on the bridge of his nose. Destrade then landed a solid punch to Watson's face and the benches emptied.

In the ensuing melee, Cardinals left fielder Bernard Gilkey and Marlins reliever Luis Aquino tangled, with Gilkey accidentally landing a punch on the back of umpire Charlie Reford's head.

Destrade, Aquino, Watson and Gilkey were ejected. St. Louis manager Joe Torre then played the game under protest.



Joe Kleine of Phoenix, right, could only watch as Hakeem Olajuwon's shot dropped in for two of the Houston center's 37 points.

Barkley Weighs Ending His 'Great Ride'

Los Angeles Times Service
HOUSTON — Charles Barkley answered the question before it was asked.

"I know the next question is, 'Was this my last game?'" the Phoenix Suns star said after the Houston Rockets had eliminated his team from the National Basketball Association playoffs on Saturday. "I honestly can say I don't know."

The Rockets, who advanced to the Western Conference finals for the third time in franchise history, will face the Utah Jazz in a best-of-7 series beginning Monday in Houston.

The Rockets' agonizing season is at an end, and so, perhaps, is his 10-year NBA career.

"I'm relieved that this year is over because I don't want to play in the pain I played in this year," said Barkley, last season's most valuable player, who has been plagued by a back injury all season.

He said he planned to meet with the Suns' physician, Richard Emerson, and two back specialists. If they recommend major back surgery, he said he would retire.

"If the doctor can make me feel better, then I'm going to play again," Barkley said. "And if he can't — hey it's been a great ride. It's that simple. I'd love to win a world championship, but I feel that I've accomplished everything I set out to do as a basketball player."

"If I can play without being in pain, I'll be back," he added.

Barkley said he had talked to the former Boston Celtics star Larry Bird, whose career was cut short by a back injury.

"Larry told me that it was going to get worse before it got better," Barkley said. "I'm never going to have major back surgery. If they can do something with laser, then that's great. But if

my option is to have major back surgery, then I'm done."

Barkley was a shell of himself as the defending Western Conference champions on Saturday became the second team in NBA history to lose a seven-game series after winning the first two games on the road.

Although he took a pain-killing injection before the game and two at half-time, Barkley maintained that he was ineffective.

He was 9 for 19, scored 24 points and grabbed a team-high 15 rebounds.

"I was just in the way," Barkley said. "I couldn't run and I couldn't jump. A couple of times I wanted to make something happen, but I just couldn't do it physically."

He was ejected from the game with 7:4 seconds remaining after he intentionally shoved Hakeem Olajuwon to the court as the Rockets' center was going in for a layup.

Jazz and Rockets
Gain, and Bulls
Force 7th Game

The Associated Press
The Utah Jazz and Houston Rockets have a date for the Western Conference championship after both squads posted victories Saturday in their National Basketball Association playoff games.

The Chicago Bulls, meanwhile, forced a decisive seventh game by beating the New York Knicks, 93-79.

In Salt Lake City, Karl Malone scored 31 points as Utah halted its skid against the upstart Denver

the first No. 8 conference seed to beat a No. 1 seed.

"Everybody loves Cinderella, everybody loves the underdog. So they were neat to get the job done," Malone said. "I love to hunt and fish in the summers, but I'm not quite the ready to do that yet."

Denver's coach, Rube Goldhamer, said he was disappointed.

"Our kids have gotten some incredible playoff experience," he said. "I'm tickled to death. We've exceeded expectations."

The Nuggets were plagued by poor shooting Saturday, ending their run with just 38 percent of Utah's 46 Dime percent.

Down by 19 points midway in the fourth quarter, the Nuggets rallied, as they had in each of their 1993 victories. But this time, the Jazz found the answer in their patient halfcourt offense.

Utah scored six of the second half's first eight points for 52-40 lead, and after Mutombo got his 14th fourth personal foul and left the game at the third quarter's 7:09 mark, the Jazz rolled.

Malone's hook sparked a 13-5 run, and Jay Humphries' three-point play with 3:10 left in the Bud period gave Utah a 20-point advantage, its largest.

Rockets 104, Suns 94: In Houston, it was a satisfying comeback for the Rockets, who became the second team in NBA history to lose the first two games of a best-of-seven series at home and rally to victory.

The Rockets, who blew a 20-point lead with 10 minutes to go in Game 2 and lost, 124-117, in overtime, had a chance to fade again when the playoff-hardened Suns closed what had been a 16-point deficit to 77-76 late in the third quarter.

Houston declined the invitation to fold, and took a 90-80 lead with 7:12 left, only to have Phoenix fight back once again.

The Suns pulled to 97-92 with 1:42 to go, but Olajuwon waded through heavy traffic for a dunk with 1:30 to play. Then rookie reserve Sam Cassell, who scored 22 points, added a pair of free throws with 23 seconds left, sealing the Suns' fate.

Charles Barkley was ejected along with Vernon Maxwell with 7:4 seconds left and the Rockets safely ahead. With Houston ahead by 7, Barkley fouled Olajuwon hard while he was dunking. Maxwell charged in to object and Barkley shoved Maxwell.

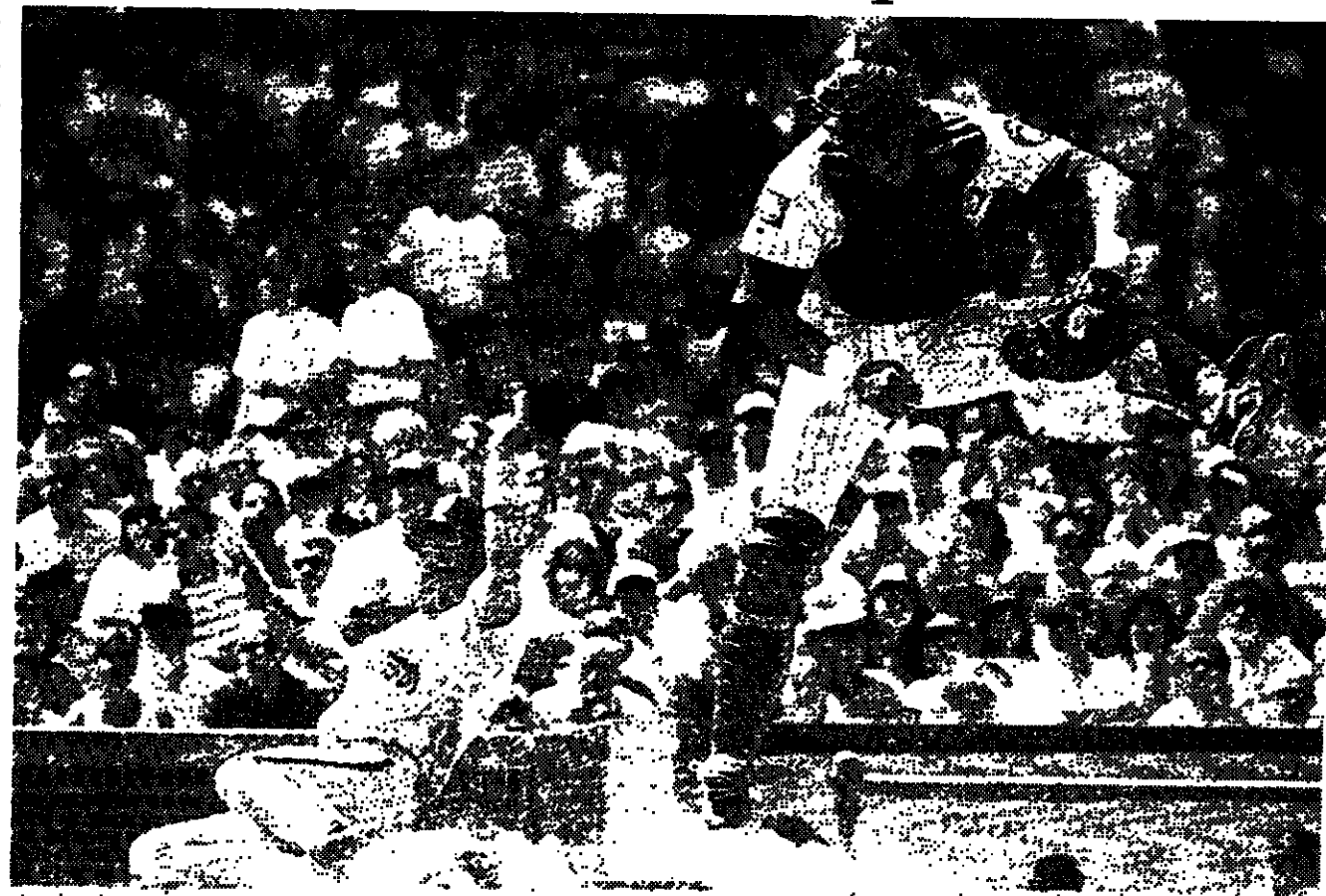
Barkley scored 24 points and Kevin Johnson finished with 25 for the Suns.

In Friday's game: Bulls 93, Knicks 79: B.J. Armstrong scored 20 points and Horace Grant had 16 with 12 rebounds as Chicago forced a deciding game with New York in the Eastern Conference semifinals. Game 7 was to be played Sunday in New York, where the Knicks have won three straight in the series by a total of 10 points.

It was the Knicks' ninth straight playoff loss at Chicago Stadium, the 65-year-old facility that is closing next month.

Patrick Ewing scored 26 points with 14 rebounds for the foul-troubled Knicks, who trailed by 16 after three quarters but staged a fourth-quarter rally. They got within 9 points with just under 8 minutes to go when John Starks hit a 3-pointer to cap a 9-2 run.

But Bill Cartwright then scored for the Bulls after grabbing a loose ball and Starks was called for his fifth foul seconds later. Chicago's Scottie Pippen, who had 13 points and 11 rebounds, then tipped in a miss by Cartwright just before the shot clock went off, extending the Bulls' lead to 13.



The Cubs' catcher Mark Parent had to leap for a late throw as the San Francisco runner Royce Clayton slid safely into home plate.

Miami Investigates
Payoff Allegations

The Associated Press
MIAMI — The University of Miami has begun investigating claims by former football players that they offered and received cash payoffs while the team was winning national championships in 1987, 1989 and 1991.

"We are going to find out what the truth is," said Edward Foote, the president of the university.

According to the allegations, players won cash incentives ranging from \$50 for a fumble recovery to \$500 for a touchdown. Some former players said their teammates, now earning millions in the National Football League, bankrolled the incentive pools, with help from Luther Campbell, a rap music star from Miami.

Possible infractions of National Collegiate Athletic Association rules from 1986 to 1992 surfaced in a story published by The Miami Herald, whose reporters interviewed more than 30 former players during a two-month investigation.

An inquiry into the allegations will be led by the school's attorney, Jimmy Johnson, a former coach of the Hurricanes, declined comment. Dennis Erickson, who has been Miami's head football coach since replacing Johnson in 1989, said he was unaware of any infractions.

Former players told The Herald that Campbell established a pay scale of \$50 for forcing or recovering a fumble; \$100 for a sack, an outstanding block, an interception or a touchdown, and \$200 for an interception returned for a touchdown.

If the Hurricanes lost, nobody collected. Stephen McGuire, a former running back, said the reward reached \$500 for a touchdown before the 1989 Notre Dame game, which Miami won.

Campbell, the leader of the group 2 Live Crew, denied involvement in NCAA infractions. But he admitted being close to many players and he criticized the rules he allegedly broke.

"The way the NCAA operates, everybody is making money except these kids," Campbell said.

Romero Takes
Italian Open
Golf by a Shot

Compiled by Our Staff From Dispatches

ROME — Eduardo Romero of Argentina shot a 5-under-par 67 to win the Italian Open golf tournament Sunday by one stroke over Greg Turner of New Zealand, the defending champion.

Romero finished at 272, 16-under, to earn his first victory on the PGA European Tour since the 1991 French Open. Turner kept the heat on the Argentine, carding the day's low round of 65.

Turner's 12-meter (40-foot) putt found the heart of the cup on the 17th, moving him to 15-under and a tie for the lead with Romero. But Romero went ahead with a 2.5-meter putt for birdie at the 15th.

Tom Lehman overcame a bad case of stomach flu to increase his lead at the Memorial Tournament as he posted his third successive round of 67 to hold a four-stroke lead after the third round in Dublin, Ohio. Lehman stood at 15-under, with John Cook second at 11-under following a round of 69.

(AP, Reuters)

SIDELINES

Indurain Falters in Giro Time Trial

BOLOGNA (Reuters) — Armand de las Cuevas of France took the leader's pink jersey on the opening day of the Giro d'Italia cycling race on Sunday by winning the afternoon time trial, with Miguel Indurain of Spain, seeking his third Giro title, managing only third place.

Yevgeny Berzin of Russia was second-fastest, two seconds behind the Frenchman, who covered the seven kilometers (4.3 miles) in seven minutes, 52 seconds. Indurain was a further three seconds behind.

De las Cuevas took over the overall lead from Endrio Leoni of Italy, who won the 86-kilometer first half of the opening stage in the morning. Leoni fell to ninth place.

ITF Weighs Raising Age for Women

LONDON (AP) — A special committee has been formed by the International Tennis Federation to consider raising the minimum age limit for players on the women's tour.

Deborah Jevans, director of women's tennis for the ITF, told BBC radio that the committee — comprising child psychologists, doctors and players — would meet during Wimbledon in July and make its recommendations to the organizers of the women's tour in September. She said the panel would consider recommending that the minimum age for women players on the tour be raised from 14 to 16.

The current limit has come under fire following the arrest last week of Jennifer Capriati, 18, who turned pro at 13, for marijuana possession.

For the Record

Chris Eubank of Britain retained his WBO super-middleweight boxing title with a split decision over Ray Close on Saturday in Belfast. (AP)

Julie Cesar Vasquez of Argentina retained his WBA light-middleweight crown when he stopped Ahmet Doudouev of Russia in the 10th round in Belfast. (AP)

Stanford officially announced its candidacy to stage the 2004 Olympic Games. The city had sought to stage the 2000 Games, which were awarded to Sydney. (AP)

The sixth and final leg of the Whitbread Round the World yacht race began on Saturday, with the fleet leaving Fort Lauderdale, Florida, for Southampton, England. (Reuters)

Hilton McConnico's Sunny Side of Design

By Suzy Menkes
International Herald Tribune

PARIS—Hilton McConnico sits surrounded by objects to which he has given life. There are round glass bowls on a streamlined painted table. The dining room is laid with a sky-blue cloth, bright napkins and colorful ceramic crockery. And from the watery green wall glare a magnified pair of cat's eyes painted by the magical Mr. McConnico.

Across town you could find many more traces of his polymath designs: an exhibition at Hermès capturing the essence of the sun in a burst of a bright breakfast cup and an empty space glowing crimson; or the leather bags he

designed as his first foray into fashion since he was a teenage couturier in his native Tennessee; or the shop on Paris's Left Bank that reunites all his design disciplines from floor rugs to porcelain.

Yet this is a man, 50 years old, who says that his philosophy is "I don't feel you really leave a trace" from the cradle to the grave. "Everything is passing," he says. "I am not bogged up by pretentious things—what will be my imprint. It gives you freedom. I do what I feel at the moment and hope it works."

The result is a range of objects that display a sunny disposition—literally in the case of the fresh sky-blue and sunshine-yellow colors that decorate his small house in Bagneux, a suburb of Paris that he came to nearly 30 years ago. The clean shapes and clear colors are the signature of his work, whether it is packaging, displays or his for-the-home objects. Within a clear framework, decoration might be vividly enlarged as in his signature cactus designs with their echo of Georgia O'Keeffe, or rugs with whimsical, surreal slogans à la Magritte.

McConnico downplays the idea that he is an artist, or uses art as a reference, saying that he found his métier when his first painting exhibition at age 16 freed him from the confusion of a dyslexic childhood. ("At that time, they didn't know what it was and kept asking me if I had troubles at home.")

He came to Paris in 1965 after making debutante gowns in Memphis, Tennessee, and found work as a stylist for French fashion houses. But his interest in decoration swept him into film, and throughout the 1970s he was a movie designer, notably in collaboration with Jean-Jacques Beineix in the arresting color "Diva." For a second Beneix film, "La Lune dans le Caniveau" (The Moon in the Gutter) in 1983, he received a César—the French equivalent of an Academy Award. And then there he stopped.

"It was the point at the end of the phrase—I wanted to turn the page," he said. "I had reached a pinnacle with the César and I was a little afraid of being repetitive. I didn't want to become important. It weighs you down like an elephant, and I want to be a butterfly. One of the problems is that I am taken as a dilettante and I have suffered from that. It has taken a great while to be accepted in my variety."

But nobody, he says, would think it strange to choose to eat chocolate mousse one day and something else the next or "that one day you wear blue and the next red."

"When this variety is in the taste of individuals nobody



McConnico: "It has taken a great while to be accepted in my variety."

asks any questions," he says. "You shouldn't prevent an artist from exploring his tastes."

The move into decoration began when McConnico created special events to promote product launches. They might be—as for a Lanvin's men's collection—windows on a universe of style, in which the clothes are frozen into a still-life context that expresses the spirit of the wearer; or, as in the many collaborations with Hermès, something more abstract and philosophical. ("Le Soleil est déjà là," the current multimedia exhibition at the Hermès store on Faubourg Saint-Honoré includes a gray flannel room to contrast rain with sunshine; scarves in a country garden; a futuristic space-age scenario filled with metallic piping; and closets that open on to videos of children to express the future.)

McConnico's products, made for a variety of companies, started in the mid-1980s, but hit their stride with a collection of cactus designs for Daum crystal in 1987. Not only was the numbered edition immediately bought by modern art museums, one was also selected by President François Mitterrand as an official gift for President George Bush. China, table and bath linen, furniture, rugs, lamps, paintings and writing paper followed pell-mell, so that by 1990 the Brooks Museum of Art in Memphis staged a retrospective of the local-boy-made-good in self-imposed exile in France.

McConnico, wearing a shirt with a surreal print of camels in a snowstorm, Bermuda shorts and canvas shoes, looks like a caricature of an American in Paris—even if he now gropes for the English word to express a thought that comes more naturally in French. What has he brought to his designs from his Tennessee background?

"Abstract roots," he says. "There are smells, there are sounds, not particularly visual things, but certain smells can evoke colors. There is the sound of the first fall leaves crunching on the campus and the smell of the oil paint when the art room was first opened up after the weekend."

The leaves are re-incarnated as pressed-flower pictures used like "brush strokes" on vivid-colored sheets.

"I'm very inspired by nature, but I'm a city dweller. I always was—and I never try to reproduce the country in the city," he says. "I find those bouquiers of wheat tied with raffia kind of sad. People are frustrated in the city and feel the need to redo a kitchen like the middle of Provence. It's like having an animal in a cage."

His home and atelier, beside a cityscape of skyscrapers, nestle in a garden bushy with rhododendrons. Inside, the colors are in contrast with nature—although McConnico would not agree. "It all boils down to the same thing—liberty and freedom to put all sorts of colors together," he says. "There is a tendency to say beige is 'natural,' but Schiaparelli didn't invent chocolate and pink—look at tropical fish. Nature puts everything together and it works."

His next projects? A real return to fashion in a line of clothing for which he has already hit on a slogan for T-shirts: "I love jogging, but I prefer chocolate."

Oh yes, and he would like to redesign Popsicle sticks. Popsicle sticks? Because they are wood and rounded and could be made in dazzling colors.

"And because of my roots in America. I dig in my childhood," he says. "And things just come forth."

Boutique Hilton McConnico, 58 Rue Madame, 75006 Paris.

LANGUAGE

What's Near Russia but Outside It?

By William Safire

WASHINGTON—Who are, or what is, the near abroad? Who coined the phrase in Russian, and who first translated it into this English phrase? What does it mean, and is it important?

The answer to the last is: You bet it's important, because the words deal with the new relationship between Russia and the other republics of the former Soviet Union. Tension on the border of Ukraine and Russia, for example—with Moscow claiming influence over ethnic Russian brethren within Ukraine—cannot be reported without the use of this term.

A fishhook in this space last month, citing a few not-so-early uses of *near abroad*—the best translation of the Russian *blizhnaya zarubezhye*—drew some nibbles from sources more adept than me at the use of data bases.

The earliest use in Nexis, Fred Shapiro of New Haven, Connecticut, writes, is an article in The Russian Press Digest of June 9, 1992, titled "Near Abroad Wants to Be Far"; by Dec. 7 of that year, Strobe Talbott—then a Time magazine columnist, now deputy secretary of state—had picked up the troublesome phrase. "Many Russians have not yet been able to accept the idea that the 14 non-Russian republics of the U.S.S.R. are today independent foreign countries. Russian politicians have even coined a new phrase—the *near abroad*—to distinguish between the former republics and the rest of the world."

Meanwhile, Mary V. McGlynn, of Brussels, searching News Retrieval, a Dow Jones product, found: "With regard to conflict situations in countries of the *near abroad*," wrote *Sovinform*, The Soviet Press Digest, on Aug. 20, 1992, summarizing in English a piece in *Nazavisnaya Gazeta*, [Russian Foreign Minister Andrei Kozyrev is critical about attempts to threaten neighbors.

An earlier Kozyrev use was found by Paul Brock, a consultant for Dialog, Knight-Ridder's data retrieval service: "Foreign Minister Kozyrev warns that every Russian gesture of 'heroic patriotism' will trigger Russianophobia in Ukraine," Mark Frankland wrote in The Observer on April 26, 1992, "and the rest of what Moscow now calls 'the *near abroad*,' that is the old Soviet Union."

That's the printed-citation winner so far of that phrase in English. Other translators in early 1992 were reaching for the best way to handle the Russian idea. Roger Donway, managing editor of Orbis, in Philadelphia, called the Foreign Broadcast Information Service for its translations of the Russian phrase. On Jan. 15, 1992, Izvestia referred to "the concept of 'abroad close at hand,'" putting the phrase in quotation marks. Tass, on April 9, 1992, used "nearby foreign lands"; three days later, the Moscow Russian Television Network spoke of what the broadcast information service reported as "countries not far abroad, as they call it." Later that month, Interfax, in English, wrote of "the emergence of a new geopolitical entity, which is often referred to as the Near Foreign Countries."

The seminal phrase, *blizhnaya zarubezhye*, was obviously giving translators a hard time. *Blizhneye* is the neuter of *blizhnyy*, an adjective meaning "near" (Near

East is *blizhnyy Vostok*), but "*zarubezhye* is a noun with no English equivalent," writes Kenneth Katzman of Washington, author of the English-Russian, Russian-English Dictionary, based on American English. "It is built around *ruzhch*, a word meaning 'border.' The prefix *za* means 'beyond.'"

Christian Caryl, of Berlin, says he noted in his diary on June 7, 1991, this explanation of the concept in Russian: "The term originally had an ironic nuance: said the historian Ivan Ivanovich, 'People spoke of *nastoyashcheye zarubezhye*,' 'the present-day abroad.' But now the words have acquired a more informational meaning, in order to distinguish the states of the C.I.S. [Commonwealth of Independent States], a title now in the dustbin of history from the 'original' abroad."

To follow up the history of the phrase in Russian without citations: "Near abroad" was used extensively by Soviet dissidents in the 1970s and '80s. Paul Thompson, of Elliott City, Maryland, "Russian under Brezhnev used the expression to either annoy or wistful tones. The serious connotation of the phrase was that the Russian people had to sacrifice a high standard of living to support their 'socialist comrades everywhere.'"

William Bodie, of Los Angeles, first heard the expression in January 1992 from Paul Goble, of the Carnegie Endowment, as a term in use throughout political Moscow referring to the non-Russian republics of the recently defunct U.S.S.R. He sees the phrase as political rather than geographical or demographic.

"Rightly or wrongly," Bodie writes, "Russia's political classes have difficulty viewing the republics on its periphery as fully sovereign entities; one of the terms *near abroad*, in addition to qualifying their independence, signifies to the Russian mind that Russia claims certain rights in the region that transcend traditional diplomatic conventions."

Many of the people in those adjacent countries, especially the non-Russians, reject this heavy-handed Russian version of the Monroe Doctrine that aims Moscow officials call a "bien gathering up its chicks."

Bodie notes: "In Riga, Kyiv, and a dozen other capitals, the chicks consider Russian policy to be the Roosevelt Corollary as interpreted by Ivan the Terrible."

Thus, what we know so far about this most significant diplomatic coinage since the popularization of *détente* in the early '70s is that it made the jump from English in early 1992, and that *near abroad* means "the claim by Russia of political interest and influence in states adjacent to it that were once part of the Soviet Union." Some political lexicographers (nearly) insist that it has a second sense of "ethnic Russian living as a minority, sometimes supposedly oppressed, outside the borders of Russia."

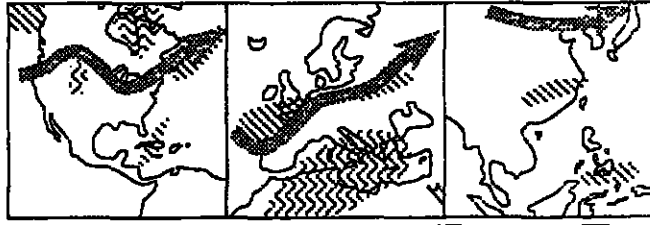
New York Times Series

INTERNATIONAL CLASSIFIED
Appears on Page 12

WEATHER

Forecast for Tuesday through Thursday, as provided by Accu-Weather.

Europe	Today	High	Low	Tomorrow	High	Low	Day After	High	Low
Algeria	18/24	16/21	11/17	17/22	18/24	13/19	18/24	18/24	13/19
Amsterdam	18/21	12/23	11/17	17/22	18/24	13/19	18/24	18/24	13/19
Antwerp	18/21	12/23	11/17	17/22	18/24	13/19	18/24	18/24	13/19
Athens	28/32	19/26	11/17	21/27	28/32	19/26	21/27	28/32	19/26
Birmingham	18/21	12/23	11/17	17/22	18/24	13/19	18/24	18/24	13/19
Bombay	32/38	19/26	11/17	21/27	32/38	19/26	21/27	32/38	19/26
Buenos Aires	18/21	12/23	11/17	17/22	18/24	13/19	18/24	18/24	13/19
Calcutta	32/38	19/26	11/17	21/27	32/38	19/26	21/27	32/38	19/26
Cairo	28/32	19/26	11/17	21/27	28/32	19/26	21/27	28/32	19/26
Chennai	32/38	19/26	11/17	21/27	32/38	19/26	21/27	32/38	19/26
Columbo	28/32	19/26	11/17	21/27	28/32	19/26	21/27	28/32	19/26
Dhaka	28/32	19/26	11/17	21/27	28/32	19/26	21/27	28/32	19/26
Dubai	28/32	19/26	11/17	21/27	28/32	19/26	21/27	28/32	19/26
Frankfurt	18/21	12/23	11/17	17/22	18/24	13/19	18/24	18/24	13/19
Geneva	18/21	12/23	11/17	17/22	18/24	13/19	18/24	18/24	13/19
Helsinki	18/21	12/23	11/17	17/22	18/24	13/19	18/24	18/24	13/19
Hong Kong	28/32	19/26	11/17	21/27	28/32	19/26	21/27	28/32	19/26
Los Angeles	28/32	19/26	11/17	21/27	28/32	19/26	21/27	28/32	19/26
London	18/21	12/23	11/17	17/22	18/24	13/19	18/24	18/24	13/19
Madras	32/38	19/26	11/17	21/27	32/38	19/26	21/27	32/38	19/26
Mumbai	32/38	19/26	11/17	21/27	32/38	19/26	21/27	32/38	19/26
New Delhi	32/38	19/26	11/17	21/27	32/38	19/26	21/27	32/38	19/26
Osaka	28/32	19/26	11/17	21/27	28/32	19/26	21/27	28/32	19/26
Paris	18/21	12/23	11/17	17/22	18/24	13/19	18/24	18/24	13/19
Perth	28/32	19/26	11/17	21/27	28/32	19/26	21/27	28/32	19/26
Port of Spain	28/32	19/26	11/17	21/27	28/32	19/26	21/27	28/32	19/26
Rangoon	28/32	19/26	11/17	21/27	28/32	19/26	21/27	28/32	19/26
Riyadh	28/32	19/26	11/17	21/27	28/32	19/26	21/27	28/32	19/26
Singapore	28/32	19/26	11/17	21/27	28/32	19/26	21/27	28/32	19/26
Sri Lanka	28/32	19/26	11/17	21/27	28/32	19/26	21/27	28/32	19/26
Taipei	28/32	19/26	11/17	21/27	28/32	19/26	21/27	28/32	19/26
Tokyo	28/32	19/26	11/17	21/27	28/32	19/26	21/27	28/32	19/26
Yokohama	28/32	19/26	11/17	21/27	28/32	19/26	21/27	28/32	19/26



North America
Sunshine in New York City and Washington, D.C., Tuesday, partly sunny Wednesday. Rather warm Tuesday through Thursday in Rome and Naples, as well as Athens. Showers in Warsaw Tuesday; showers could reach Moscow Thursday. Rather comfortable weather this week in Oslo and Stockholm.

Europe
Rains likely in Paris and London during the middle of the week. Rather warm Tuesday through Thursday in Rome and Naples, as well as Athens. Showers in Warsaw Tuesday; showers could reach Moscow Thursday. Rather comfortable weather this week in Oslo and Stockholm.

Asia
Unsettled Tuesday through Thursday in Shanghai with episodes of rain, heavy at times. Warm Tuesday and Wednesday in Beijing, then a bit cooler Thursday. Typically warm and misty in Hong Kong this week. Showers and thunderstorms this week in Osaka and Seoul.

Africa
Algeria: 18/24, 16/21, 11/17, 17/22, 18/24, 13/19, 18/24, 18/24, 13/19, 18/24.
Cape Town: 18/24, 16/21, 11/17, 17/22, 18/24, 13/19, 18/24, 18/24, 13/19, 18/24.
Cairo: 28/32, 19/26, 11/17, 21/27, 28/32, 19/26, 21/27, 28/32, 19/26, 21/27, 28/32.
Johannesburg: 18/24, 16/21, 11/17, 17/22, 18/24, 13/19, 18/24, 18/24, 13/19, 18/24.
Lagos: 28/32, 19/26, 11/17, 21/27, 28/32, 19/26, 21/27, 28/32, 19/26, 21/27, 28/32.
Nairobi: 18/24, 16/21, 11/17, 17/22, 18/24, 13/19, 18/24, 18/24, 13/19, 18/24.
Rangoon: 28/32, 19/26, 11/17, 21/27, 28/32, 19/26, 21/27, 28/32, 19/26, 21/27, 28/32.
Singapore: 28/32, 19/26, 11/17, 21/27, 28/32, 19/26, 21/27, 28/32, 19/26, 21/27, 28/32.
Tehran: 28/32, 19/26, 11/17, 21/27, 28/32, 19/26, 21/27, 28/32, 19/26, 21/27, 28/32.
Yokohama: 28/32, 19/26, 11/17, 21/27, 28/32, 19/26, 21/27, 28/32, 19/26, 21/27, 28/32.

Middle East
Beirut: 28/32, 19/26, 11/17, 21/27, 28/32, 19/26, 21/27, 28/32, 19/26, 21/27, 28/32.
Damascus: 28/32, 19/26, 11/17, 21/27, 28/32, 19/26, 21/27, 28/32, 19/26, 21/27, 28/32.
Jerusalem: 28/32, 19/26, 11/17, 21/27, 28/32, 19/26, 21/27, 28/32, 19/26, 21/27, 28/32.
Lyon: 18/24, 16/21, 11/17, 17/22, 18/24, 13/19, 18/24, 18/24, 13/19, 18/24.
Rangoon: 28/32, 19/26, 11/17, 21/27, 28/32, 19/26, 21/27, 28/32, 19/26, 21/27, 28/32.
Singapore: 28/32, 19/26, 11/17, 21/27, 28/32, 19/26, 21/27, 28/32, 19/26, 21/27, 28/32.
Tehran: 28/32, 19/26, 11/17, 21/27, 28/32, 19/26, 21/27, 28/32, 19/26, 21/27, 28/32.
Yokohama: 28/32, 19/26, 11/17, 21/27, 28/32, 19/26, 21/27, 28/32, 19/26, 21/27, 28/32.

Latin America
Buenos Aires: 28/32, 19/26, 11/17, 21/27, 28/32, 19/26, 21/27, 28/32, 19/26, 21/27, 28/32.
Cairo: 28/32, 19/26, 11/17, 21/27, 28/32, 19/26, 21/27, 28/32, 19/26, 21/27, 28/32.
Lima: 28/32, 19/26, 11/17, 21/27, 28/32, 19/26, 21/27, 28/32, 19/26, 21/27, 28/32.
Mexico City: 28/32, 19/26, 11/17, 21/27, 28/32, 19/26, 21/27, 28/32, 19/26, 21/27, 28/32.
Rio de Janeiro: 28/32, 19/26, 11/17, 21/27, 28/32, 19/26, 21/27, 28/32, 19/26, 21/27, 28/32.
Santiago: 28/32, 19/26, 11/17, 21/27, 28/32, 19/26, 21/27, 28/32, 19/26, 21/27, 28/32.
Washington: 28/32, 19/26, 11/17, 21/27, 28/32, 19/26, 21/27, 28/32, 19/26, 21/27, 28/32.

Oceania
Auckland: 18/24, 16/21, 11/17, 17/22, 18/24, 13/19, 18/24, 18/24, 13/19, 18/24.
Sydney: 28/32, 19/26, 11/17, 21/27, 28/32, 19/26, 21/27, 28/32, 19/26, 21/27, 28/32.

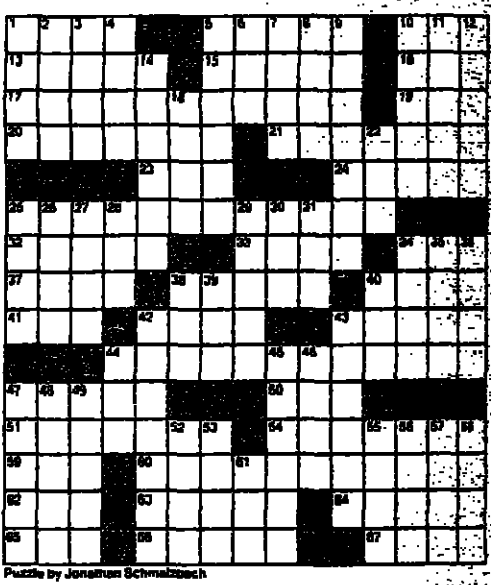
Legend: sunny, partly cloudy, cloudy, showers, thunderstorms, rain, snow, fog, drizzle, hail, wind, etc. All maps, forecasts and data provided by Accu-Weather, Inc. © 1994

CROSSWORD

ACROSS
1. more than one way to skin
5. Supply a party
10. Beast of burden
13. Fads
15. Speak publicly
16. Caltech rival
17. Cereal "fruit"
18. ... of these days, Alice
20. Outdoor
21. Spiritual punishment
23. Meadow
24. Jockey Cordero
25. Civil War flash point
32. Nom de crook
33. Upset
34. Small dog, for short
35. Senior Guevara
37. Lovebirds' destination, maybe
38. Paul of "Casablanca"
39. ... Altos, Calif.
40. County of Northern Ireland
42. Had a little lamb?
43. First name in cosmetics
44. Novelist, Frenchman
45. Roll of bills
46. Looks (to be)
47. Unattached

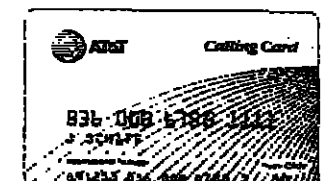
DOWN
1. With the bow, in music
2. Bellyache
3. Malerial symptom
4. Part of T.V.A. Abbr.
5. Hooded snakes
6. Exist
7. Diamond cover
8. To be, to Sate
9. ... the Fox (classic tale)
10. In the mood of
11. From the time of
12. Gender maternal
14. ... of justice
15. Yesterday, Fr.
22. ... luck?
23. David's instrument, nautilically
24. Downward, nautilically
27. Wedding sine qua non
28. Add to, unnecessarily
29. Smut
30. Prior to, in poems
31. Charn
34. Henry VIII's Vth
35. "Ripley" completed, to a ham operator
36. Queen of Scots
37. Word before word or stop
38. Grasshopper's rebuker
40. Baseball's DiMaggio

Solution to Puzzle of May 20
TOWELS AMBER
CABARET MARLEY
AMERICA NEEDLES
SAL NOTTE WEBSTER
CLIP QUASI RAMP
AESOP EXITS SEA
SKIRT EASEMENT
STOUCHEVITZ
FORECONE ORNITH
ICE SYSTEMS WOMAN
LUCE HAPPY NOSE
CLOVE STREP SIN
HAVARTI ENACTED
REDIAL ETCHERS
REEDY SLEEPY



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